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## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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NEW ZEALAND

WELLINGTON COLUMNIST DISCUSSES POLITICAL SCENE

HK070658 Wellington THE EVENING POST in English 1 Apr 86 p 6

["Weekwatch" column by Chief Political Reporter Tony Garnier: "Parties Reach Critical Phase"]

[Text] New Zealand politics has moved into an inscrutable phase. The government still enjoys high popularity as measured by opinion polls, but looks under pressure from the impact of the Rogernomics revolution.

It seems that rural opinion has swung strongly against the government, and it is difficult to accept that Labour's domination of the urban vote can last if interest rates remain at the existing high level for much longer.

The National Party, destabilised by its post-election actions, has not yet moulded a team capable of voicing the concerns of the many ordinary New Zealanders whose standard of living are under pressure as a result of government policies.

By changing leaders to Jim Bolger last week, National has used its last realistic opportunity before the next election to get its act together and create an effective opposition and an attractive alternative to Labour. Its potential constituency embraces farmers hit by low prices, rising interest rates and other beyond-the-farmgate costs; rural service workers (truck operators, shop keepers, farm suppliers); manufacturers caught by the fluctuating currency rates; home owners and seekers hit by high mortgage costs, and small businesses in provincial towns unenthused by the demands (to be more professional, alert, dynamic and in search of excellence) of the Rogernomics revolution.

There is also a potential vote for National in urban areas from a group (increasing in size?) who question whether Labour has properly planned its priorities for social and economic change and instead is charging ahead without bothering to properly explain the objectives.

And the third parties, which have taken 20 percent or more of the vote at the last three elections, seem to have disintegrated. If the trend of recent opinion polls is any guide, the influence of third parties on the

next election will be less than at any time since the early 1960s. They will get less than 10 percent of the total vote.

It will be a straight fighter between Labour and National, with the result determined largely in provincial electorates like East Cape, Waitaki, Hawke's Bay, Wairarapa, Horowhenua, Tasman, Gisborne and a handful of Auckland metropolitan seats like Glenfield (Labour), East Coast Bays and Pakuranga (both held by the Democrats).

It is far too early to be making judgments about the likely outcome. However, it is possible to isolate factors which will dictate which way the winds of political change will blow.

Both National and Labour have reached a critical phase in their respective battles to appear credible to the mass of voters in middle-ground New Zealand, the silent majority.

To advance National's cause, it will be imperative that Jim Bolger reunites the Caucus and puts together a cohesive team of Opposition spokesmen. Critical to this mission is the job he gives to the former leaders, Sir Robert Muldoon and Jim McLay.

Among many difficult factors he must consider if he is to unveil a credible team will be who he puts on Parliament's front bench (where there are eight seats), and who he slots into the jobs of finance, foreign affairs, industrial relations or labour, and agriculture.

For Labour to hold its advantage, it is critical that Prime Minister Mr David Lange address himself to the projection of the Rogernomics [after Finance Minister Douglas Rogers] revolution. There can be no escaping that it appears to be going off the rails somewhat. The appearance may not be the reality of course. But, as Overseas Trade and Marketing Minister Mr Mike Moore has often remarked, voters judge on appearances not facts. The government may in fact be performing reasonably well, but that is not the appearance at the moment.

Mr Lange seems to have abandoned his "chairman of the board" style of leadership, Finance Minister Mr Roger Douglas has lost his credibility in the deficit revision quagmire, the lingering meat industry dispute is unsettling a large proportion of provincial New Zealand, there are uncertainties surfacing over the government's real intentions in its campaign to restructure government departments towards "pay-as-you-go" operations.

In short, there is a sense of drift apparent in the government's performance. It has created a vacuum into which Jim Bolger could move National's forces, if--and that is one of the imponderables of the next few weeks--he proves to be a wily and adaptable leader.

Some commentators say he should promote Sir Robert to Parliament's front bench. However, to do so could create more problems than it solves.



Firstly, one reason why the third parties are collapsing has to do with the decline of Muldoonism. Both the Social Democrats and New Zealand Party gained a lot of their support as a reaction to Muldoon-styled interventionism. A Bolger-led National could signal a return to a more attractive style of interventionism, which characterised the successful (from National's election winning prospects) Holyoake era of the 1960s.

A re-emergence of Sir Robert into a too-prominent role, will bring back all the antagonism that characterised that style of leadership. It wouldn't help the long-term goal--getting back into government.

Far better then, to put Sir Robert in the number nine slot with a seat in Parliament across the aisle from Chief Whip Mr Don McKinnon and within strategic distance to where Mr Bolger sits. The trio (Sir Robert, Mr Bolger and Mr McKinnon), would be well placed to exercise a dominant influence on the proceedings of Parliament. A good tactic would be to encourage Sir Robert to "point" Mr Bolger when exploiting opportunities in the House.

Under Jim McLay, it was ludicrous that Sir Robert led the Opposition attack (apparently of his own volition) in an effective charge on the Higher Salaries Commission determination from seat number 38. It was days before Mr McLay seemed to latch on to the political significance of the role Sir Robert had played. Indications are that Mr Bolger's political antennae are more sensitive and he will make good use of Sir Robert, not ignore him.

Equally, it would harm National's prospects if Sir Robert was made foreign affairs spokesman.

If there is one issue working for the government, it is its anti-nuclear policy. It has wide support across all party political boundaries.

With Sir Robert as spokesman, it would limit National's chances of evolving a policy on Anzus and related topics which takes full account of the possible alternatives which may surface in the defence review.

Similarly, dumping Mr McLay on to the second row of Parliament has its dangers for Mr Bolger. The letter from the 25 MPS which asked Mr McLay to stand down and called on Mr Bolger to take over as leader, stated that Mr McLay should be given "a senior and strong" job. Foreign affairs is the obvious job, from, say seat number six or seven. That way, Mr Bolger would be seen to be as gracious in victory as Mr McLay was in defeat.

More importantly, Mr McLay has the interest and background to make a substantial contribution to the foreign affairs debate, and in a way that would constructively upset Mr Lange rather than negatively, as is likely if the job went to Sir Robert.



With Sir Robert in the number nine slot to exercise a sort of "sweeper" role in debates, Mr Bolger's front bench could end up as follows:

1. Mr Bolger; 2. George Gair (finance); 3. Bill Birch (labour); 4. John Falloon (agriculture); 5. Venn Young (social welfare); 6. Jim McLay (foreign affairs); 7. Tony Friendlander (energy); 8. Ruth Richardson (education).

Another reason for suspending judgment on New Zealand politics at the moment has to do with the persistent mention that the government is fishing for an early election.

Mr Lange has denied the claim, but the rumours persist...

Five reasons the government might give for an election this November rather than the due date of September next year, are circulating at Parliament.

The most credible is that a November election would restore the contest to its traditional time, the last Saturday of November at the end of a 3-year term; except this time it would be 2 and 1/2 years.

Another claim is that the government could justify going early on the Anzus-anti-nuclear impasse. One line of thinking is that the defence review will not produce a clear-cut option on what New Zealand defence policy should be, and Mr Lange will use the ambivalence to "go to the country" for a mandate.

However, this scenario ignores the fact that elections in New Zealand are fought on hip-pocket issues; i.e., the economy. The electorate would not accept having an election on a manufactured foreign policy issue.

Some observers believe the government wants a November election to short circuit the impact of GST [general sales tax] which starts on 1 October, and gain maximum impact from the big income in sales tax cuts due at the same time.

The reasoning here is that while voters in November will have flush hip pockets from the tax cuts, by September next year the gains will have been forgotten through the daily pain of having to pay 10 percent GST every time a purchase is made.

There is a measure of credibility to this idea. Government supporters of it argue further that an election in November would catch National on the back foot and still destabilised by its leadership debacles. Maybe, maybe not. Again, there would seem to be huge political risks for the government if it manufactures an early election, whatever [words indistinct].

Some pundits suggest the meat industry strike could be dragged out for a few more months. The resulting damage to the economy would be so great, the government would have no choice but to go to the country to force the industry back to work.

However, there is little hard evidence indicating the government wants or is seeking an early election, except that it is being remarkably passive in the face of protests about the impact of its reform policies.

Senior government ministers and strategists appear to assume that the "rural revolt" and other protests are from a minority, and that the vast silent majority of ordinary New Zealanders still accept the need for pain and structural reform. Continuing with this view may be naive and, in the hindsight of the next election result, bitterly regretted.

Mr Bolger's elevation to National's leadership is welcomed in some Labour quarters for no other reason than that it will force the government to defend and explain where it is taking New Zealand...

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CSO: 4200/908

NEW ZEALAND

LANGE HOPEFUL ON SETTLEMENT OF DISPUTES WITH FRANCE

HK100220 Hong Kong AFP in English 0205 GMT 10 Apr 86

[Text] Wellington, 10 Apr (AFP)--New Zealand Prime Minister David Lange Thursday welcomed France's latest statements on the bombing of the Greenpeace ship Rainbow Warrior, saying they raised hopes for a settlement of the dispute.

Mr Lange said in a radio interview that there was "an encouraging calm" in the comments made by Prime Minister Jacques Chirac in the French National Assembly. He said parts of the Chirac statement were "a declaration of the hope that a settlement can be arrived at" by the two nations on issues stemming from the 10 July bombing of the nuclear protest ship.

(Mr Chirac said he believed that New Zealand, a "comrade in arms during the two world wars," could resolve with France the problems relating to the two French agents jailed in this country for 16 years for the bombing.)

Mr Lange said he thought that "if there is a proposal (now) to have a careful, constructive dialogue, it probably would not be enhanced by political fiestas."

"What we have to do is put in place, if it is agreed, what the issues are that can be settled, what the scope of the arbitration or negotiators' powers are, and then proceed in an orderly and not spectacular political fashion."

Yesterday, Mr Lange publicly retracted a claim that French ministers had been instructed to cut all contacts with their New Zealand counterparts while French agents Major Alain Maffart and Captain Dominique Prieur remained in jail.

The New Zealand prime minister confirmed there had been no official comment of that nature by the Chirac government. He said he had misinterpreted press reports of statements from France.

Major Maffart and Captain Prieur were sentenced in November for the bombing in Auckland Harbor that left one crewman dead aboard the Rainbow Warrior, flagship of a Greenpeace campaign to protest French nuclear testing in the Pacific. France has admitted that the Rainbow Warrior was sunk on official orders, and has tried to have the two jailed agents expelled to France.

INDONESIA

SUHARTO STRESSES IMPORTANCE OF RELIGIOUS FREEDOM

Jakarta SUARA KARYA in Indonesian 25 Feb 86 p 1

[Text] Denpasar, SUARA KARYA--President Soeharto has stated that in Indonesia, the country of the Pancasila, which is based on belief in God, not even a few believers in a given religion should lose their religious freedom, because religious freedom is the most basic human right.

Speaking at the opening of the Fifth All-Indonesian Congress of the Parisada Hindu Dharma [Hindu Federation] on 24 February in Denpasar, the chief of state declared that all religious communities must respect each others' beliefs, without distinguishing between the size of the communities involved.

The president said: "We must realize that our religious faith cannot be measured in terms of a relatively large or small number of members, because religion involves beliefs which are very strong in the minds of each of us."

The president said that respect for religious freedom is a very important element in the creation of harmony, brotherhood, a spirit of family, and national union. The president added: "When we fought to create, bring into being, and defend our freedom, we never made an issue of religious differences among us."

The chief of state recalled that as a multi-faceted nation all of us must show wisdom in handling questions related to differences among us. If we are not wise in handling such matters, and particularly in the case of religious life, this will create many problems. Indeed, it may damage national union and unity. The president said: "In this connection it is national unity which is the principal asset and strongest force of our nation."

The ceremony opening the congress in the Yuwana Mandala building was attended by 1,456 religious leaders, 4,000 delegates, and 5,000 other invited guests.

The Fifth Congress of the All-Indonesian Parisada Hindu Dharma, in addition to electing the day-to-day leadership of the central organization, the highest council of the Hindu community, will also make changes in its constitution and by-laws, declaring the Pancasila to be its single founding principle.

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4213/114

INDONESIA

MUSLIM LEADER WARNS OF ONE-SIDED INTERPRETATION OF PANCASILA

Jakarta KOMPAS in Indonesian 27 Feb 86 pp 1, 12

[Excerpts] Jakarta, KOMPAS—If the Pancasila becomes a closed ideology because there is a single authority with the right to interpret it, the decision to make the Pancasila into the single founding principle of our life as a community, nation, and state will be the first step in the growth of totalitarianism in Indonesia.

Dr Nurcholish Madjid, a leader of young Muslim intellectuals, made this statement in a panel discussion sponsored by the Central Executive Council of the Wira Karya Indonesia organization, held at the campus of the National Private Banking Council in Jakarta on 25 February. The discussion was on the theme: "The Continuation of the New Order After the Adoption of the Pancasila As the Single Founding Principle."

Interpretation of the Pancasila

Nurcholish Madjid said that the designation of the Pancasila as the single founding principle in our life as a community, nation, and state will turn out to have been correct if it is accompanied by an agreement to make the Pancasila into an open ideology, without just one interpretation made of it.

Answering the view expressed by a number of those attending the meeting, who objected to the concept of the Pancasila as open to interpretation, Nurcholish Madjid declared that freedom to interpret the Pancasila does not mean that every person will interpret it himself. Rather, it means that he will have an opportunity to provide his contribution to the interpretation of the Pancasila.

He stated that setting up a single interpreter of the Pancasila can give rise to totalitarianism. And those who are considered as not sharing this interpretation can easily be charged with opposing the Pancasila. Nurcholish Madjid declared: "This is very dangerous."



For that reason, he continued, there needs to be a national consensus on the values of the Pancasila and an opportunity for various groups to make new interpretations of the Pancasila. The process of democratization needs to be promoted continuously. The life of a nation can be called democratic if from time to time there is a step forward in the process of democratization. For example, if the general elections of 1977 were not as free by comparison with the general elections of 1982, this means that democratic life in Indonesia has made progress. On the other hand, if the general elections of 1977 were freer by comparison with the general elections of 1982, Indonesia has lost ground in the process of democratization.

The process of democratization involves the development of various forms of freedom, such as the freedom to express one's opinion and to join the association of one's choice. Nurcholish Madjid declared: "We must continue to stay how to use the various forms of freedom in a responsible way. This is one of our purposes as a developing country."

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CSO: 4213/114

INDONESIA

NU BAN HAS ADVERSE EFFECT ON EAST JAVA PPP

Jakarta TEMPO in Indonesian 15 Feb 86 p 12

[Unattributed article: "Star Beer Campaign?"]

[Text] Because NU [Muslim Scholars Party] committee members have been banned from serving concurrently as members of ORPOL [political organization] committees, the East Java PPP [United Development Party] is in disarray. It is finding it hard to enlist anyone for a leadership position in its branches and smaller units.

The impact of the NU PB [executive board] ban on members holding concurrent positions in ORPOL's appears to be widening, especially in East Java. In this province, which is known as the NU base, the majority of the NU mass membership probably thinks the NU and the PPP are "divorced," whereas PB NU Decision No 72 of 1985 really only banned members of the NU executive committees at all levels from serving concurrently on the executive committees of political organizations. Several NU leaders clarified issues other than the ban. Kiai [honorable pilgrim] As'ad Syamsul Arifin, rais am [general chairman], for instance, offered some guidance: "In the 1987 general election, NU members are obligated to make a success of this democratic festival. However, they are not obligated to campaign for the PPP and are not obligated to vote for it."

Thereafter, Kiai As'ad, Abdurrahman Wahis, and Kiai Nadjid Abdul Wahab, rais syuriah [executive board chairman], issued a ban: All NU ulema, heads of Islamic boarding schools, and NU preachers are prohibited from campaigning in the coming general election. The ban was instituted so that NU preachers would solely promote Islam and would not get involved in political affairs.

Background for the issuance of NU PB Decision No 92 of 1986. It contains: a ban on all members of NU executive committees as well as heads of institutions, executive boards, and other autonomous bodies at the committee level representing branches and smaller units from acting as commissioners of political organizations or representing them at various levels of the general election apparatus.

These bans apparently created disarray in the East Java PPP. The East Java PPP DPW's [regional executive council] plan to hold an election of leaders of branches and smaller units, respectively, a commissioner and five assistants,

came to a standstill. "In the end, no one wanted to be a commissioner," said Hamid Ulumuddin, age 55, a member of the F-PP [Development Unity Faction] in the East Java DPRD [regional legislature].

Hamid cited an example. In the 19 subdistricts of Bondowoso, almost no one was prepared to be a commissioner. "This happened at the subdistrict level. Moreover, it happened at the village level," he said. According to Hamid, the reason why they refused to be commissioners was that they followed what the kiai instructed. The PPP leadership, particularly J. Naro, was felt to be recalcitrant, so NU members even shunned Naro and the PPP.

To find PPS (poll watchers) and PANWASLAKCAM (subdistrict level election implementation supervisory committees) who should be selected by the end of February was also difficult. It is understandable why DPC [branch executive committee] members who attended the East Java PPP DPW working conference on 26 January disappeared, avoiding this issue. Nevertheless, Hisbullah Huda, an East Java PPP leader, appeared optimistic. "It will all be settled. What is important is how it is settled, without making mountains out of molehills," he said.

The shunning by the NU members of the PPP apparently was not limited to refusing to be election commissioners. A number of NU preachers who were known to be PPP board members then were labeled as stooges of Naro and were no longer invited to be on the board. So labeled, for instance, were Masjkur Hasyim and Hidayat Tauhid. Masjkur Hasyim, age 40, other than being one of the chairmen of the East Java Ansor [Vanguards of Islam, NU youth organization] Youth, is also well-known as a celebrated preacher as far as Central Java. Before being elected as the fourth secretary of the East Java PPP DPW in October 1985, he traveled around the area delivering sermons almost daily. Nevertheless, when he became a PPP board member, his following dropped off. A number of his routine Koran recitals, for instance, those in the Gubeng Ittihad Mosque in Surabaya, were canceled suddenly. Invitations which had been extended were also withdrawn.

The cold war in East Java between the NU board members who left the PPP and those who remained in the organization appears to be growing, for the reason that those in the PPP leadership--which, of course, is dominated by NU members--do not want to lose the support of NU members. So, there is always much mutual recrimination. Hasyim Latief, the former East Java PPP DPW chairman who now is active in the NU, for instance, often sneers, "The PPP campaign will be no different than the Star Beer campaign."

In view of this situation, some leaders have interceded. For instance, Kiai Sjamsuri Badawi, head of the Tebuireng Islamic Boarding School in Jombang. In the East Java PPP DPW working conference held last month he said, "Muslims are obligated to support the PPP. And the PPP star symbol is not the symbol for Star Beer but the star of the disciples of the Prophet."

Kiai Sjamsuri said he gave his personal instruction to rescue NU members. "Actually, NU preachers had decided to divorce themselves from any association with ORPOL's. That is wonderful. But the NU leaders should not continue to talk loosely about political matters. They should not continually make regu-

lations about who cannot become a commissioner, who cannot campaign, and who is not obligated to vote for the PPP. Such statements only lead Muslims astray," he said. He then clarified, "I continue to lay down the law: you are obligated to support the PPP," for the reason that although the PPP's sole principle now is Pancasila [ideological basis of the Indonesian state], the AD/ART [constitution and by-laws] clearly state, fight for Islam. "The Muslims' home is the PPP." Kiai Sjamsuri denied that he issued this instruction because he was chairman of the Jomban Branch PPP Arbitration Council.

Kiai Sjamsuri's "obligation" instruction, of course, was well received by the PPP leadership. Ridwan Saidi, Central LP4 (PPP election executive board) chairman, who is also chairman of the PPP DPP [central executive council] Youth and Election Department, judged the instruction would be acceptable not only in East Java. "I believe there are few problems in East Java with relations between the NU and the PPP. Even without the instruction, all is actually going well. Moreover, Kiai Adlan Ali, also a celebrated ulema, closed the East Java PPP KONPERWIL [regional conference] with prayer. This proves that Abdurrahman Wahid's instruction was not taking hold," he said.

There has been no reaction as yet from the NU PB leadership to Kiai Sjamsuri's instruction. "I have not yet heard of any," said Fahmi Dja'far Saifuddin, the NU PB chairman. "The NU PB's policy is unchanged. Kiai Sjamsuri has the right to his own political aspirations. NU did not ban anyone and does not mean to make any decisions on who could be elected in the coming general election," he remarked.

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CSO: 4213/112

INDONESIA

RIAU GOVERNOR REPORTED RETALIATING AGAINST OPPONENTS

Jakarta TEMPO in Indonesian 22 Feb 86 p 12

[Text] Imam Munandar, who was defeated in the election for the governor of Riau Province in 1985, is proposing that 19 members of the Provincial Council be recalled from their positions. Is the general, who was later appointed governor, looking for revenge?

Governor Imam Munandar of Riau Province is once again stirring up a fuss. Last week it was reported that 19 members of the Riau Provincial Council will be recalled from their positions on the council as a result of their "protest" over the election of the governor of Riau in September 1985. Because they were not satisfied with the policies followed by Governor Munandar, they voted for Ismail Suko (who received 19 votes), while Imam Munandar only obtained 17 votes and was therefore defeated.

At the time Ismail Suko seemed to be an also ran. In this connection, according to the "scenario" he had in mind, Munandar was supposed to get 31 votes. As a result of the elections, Riau Province made history: for the first time, in elections for the position of governor, a favored candidate was defeated by another candidate who seemed to have no chance of winning (TEMPO, 14 September 1985). Although he was defeated in the election, the president finally appointed Munandar governor of Riau for a second term.

The emergence of the recall issue began with a speech by Imam Munandar as chairman of the Advisory Council of the Provincial Executive Council of GOLKAR in Riau Province, at the opening of the provincial working session of GOLKAR on 22 January 1986. At the time, among other things, Munandar asked the provincial working session "to recommend to the Provincial Executive Council of GOLKAR to take action against its members in the Riau Provincial Council who had violated organizational discipline."

Indeed, Munandar provided no details of what kind of violation of discipline had occurred. A TEMPO source in the Riau Provincial Council said: "However, we might conclude that what he meant was action against the majority of



members of the Functional Development Faction in the Riau Provincial Council, who did not vote for Imam Munandar."

At present the composition of the Riau Provincial Council is as follows: Functional Development Faction, 25 seats; Development Unity Faction, eight; Indonesian Armed Forces Faction, six; and one for the Indonesian Democracy Party Faction. Of the 25 members of the Functional Development Faction, only 22 were present for the election of the governor in 1985, because two members were on the pilgrimage to Mecca, while another had died and has not yet been replaced. Rumors in Riau state that only six members of the Functional Development Faction voted for Munandar, while the other 16 deserted him. It is reported that the votes of 15 members of the Functional Development Faction went to Ismail Suko, while the remaining vote went to Abdurahman Hamid, another also ran candidate. Four additional votes for Ismail were obtained from the Development Unity Faction. During the election of the governor, in fact, these 19 members of the Provincial Council carried out their agreement not to vote for Imam Munandar. One of them said: "And to confirm this, we swore on the Koran."

After Imam Munandar was reappointed, his opponents were concerned because they were afraid that there would be "reprisals." However, later on they felt relieved. About 1 week before he was installed in office for his second term Imam Munandar had separate meetings with the leaders of the three social and political organizations in the provincial council. In the meetings, among other things, Imam Munandar invited all concerned to forgive each other and forget the past. Thamrin Nasution, chairman of the Functional Development Faction in the Riau Provincial Council, told Monaris Simangunsong of TEMPO, "Apparently, there was no problem, and after the meeting we were photographed together." At the reconciliation meeting Imam Munandar promised that members of the Functional Development Faction who had not voted for him would not be subjected to the recall process. Everyone forgave each other.

However, a few weeks after Imam Munandar was reinstalled in office as governor the tone of his statements began to change. In various speeches Imam Munandar often raised the question of "people who don't get along, who can't cooperate, and who can't help us." He said they "don't need to come along with me."

The intention of the governor only became unmistakably clear at the provincial working conference of GOLKAR in Riau in January 1986. His attitude was contained in a document entitled "Guide for the GOLKAR Advisory Council in Riau Province," which was signed by Imam Munandar as its chairman. It is stated in this document, "In the framework of consolidating the organization with a view toward the forthcoming general elections and also in accordance with the conclusions of the national working conference of GOLKAR which was held on 17 October 1985, corrective action needs to be taken as soon as possible against disciplinary acts and disloyal behavior toward the basic policy and established provisions of the organization."

According to a TEMPO source, this document was approved at a closed meeting which, oddly enough, was not attended by all of the members of the GOLKAR Provincial Advisory Council. Among other things, four members of the Functional Development Faction in Parliament in Jakarta also attended this meeting. Another source has stated that at the meeting Munandar clearly discussed the action which he wanted to take: recall of the members of the provincial council who did not vote for him. This source said: "That was what Imam Munandar asked for."

The group which was unhappy with Munandar, which previously had tended toward dissolving itself, united once again to face the threat of rescinding the membership in the Provincial Council of those belonging to it. One of them said: "Whatever happens, we are ready for it. If we are subjected to recall, we will move over to the political parties. We have supporters, after all."

This source accused Munandar of merely entertaining suspicions against a number of members of the Functional Development Faction who did not support him. The source said: "Imam said that there were 19 members who would be subject to recall action, whereas in fact there were only 15 who opposed him." The source is convinced that Munandar cannot be sure who "betrayed" him. This is because, at the time of the election of the governor in September 1985, after all of the members of the Riau Provincial Council cast their ballots, the ballot box was shaken up by the chairman of the council.

What is the situation affecting the four members of the Development Unity Faction who did not vote for Munandar? H. Abdul Kadir Abbas, the chairman of the Provincial Executive Council of the Development Unity Party in Riau, said that it may be that Imam Munandar is using the Central Executive Council of the Development Unity Party to force the Provincial Executive Council to approve recalling the four members. He said: "However, I think that it won't be easy to interfere in the internal affairs of the party provincial branch."

Apparently, handling even the internal affairs of the provincial GOLKAR branch is rather difficult. His desire to replace the members of the Functional Development Faction who oppose him will be difficult to carry out. According to Sudharmono, the general chairman of the Central Executive Council of GOLKAR in Jakarta, the process of recalling a member of Parliament or of a provincial council is not easy. The reasons for this action and the procedure involved must be made clear. First of all, such a plan must be submitted to the provincial council by the Provincial Executive Council of GOLKAR, which will forward it to the minister of home affairs. Before presenting its plan for recalling a member the provincial executive council must also consult with and ask for the approval of the Central Executive Council of GOLKAR. Sudharmono said last week: "Up to now there have been no consultations. Furthermore, the approval of the Central Executive Council of GOLKAR has not been obtained."

Anang Adenansi, a member of the Central Executive Council of GOLKAR, was more straightforward. He said: "Who has behaved in an undisciplined way? The 19

members of the provincial council have simply remained silent. There are no feelings of resentment, because this was all resolved on 2 October 1985, at the time of the installation of the governor in office. Didn't they all agree not to raise old controversies? Now, isn't this starting it up all over again? So the one who is out of step or acting in an undisciplined way is the governor who is asking for the recall of provincial council members. This violates the consensus which called for reconciliation."

As of 17 February Imam Munandar seemed to be avoiding the press. A member of his staff told a TEMPO representative: "The boss is busy with meetings every day."

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CS0: 4213/114

INDONESIA

TRANSMIGRATION PREPARATION PROBLEMS, UNSPENT FUNDS DISCUSSED

Jakarta KOMPAS in Indonesian 18 Feb 86 p 2

[Article: "Transmigration Will Be Successful If More and Better Qualified Personnel Are Employed; 718.8 Billion Rupiahs Unspent"]

[Text] Jakarta, KOMPAS—The transmigration program will be successful if more and better qualified persons are employed by the Transmigration Department. Meanwhile, there is no model for national area planning. This results in unsystematic use of the land in the field. C.I. Santosa, SEKJEN (secretary general) of the Transmigration Department, made this disclosure on Monday [17 February] during a DPR [Parliament] Commission IV hearing held in Jakarta.

He said current personnel are incapable of balancing requirements needed to carry out the transmigration program. Meanwhile, he judged problems will arise with the contractors because fewer development funds are available in fiscal 1987. Therefore, scheduling and targets will have to be adjusted to conform to the fewer funds available.

According to Santosa, the limited funds will also make it necessary to have a special manpower policy for paying personnel on a fee basis because the volume of activity will continue to drop. Of the 35,765 persons who work on the transmigration program, 12,170 are paid on a fee basis.

SIAP

During the hearing chaired by Abdurachman, a member of the FKP (Development Functional Faction) the government for the first time officially acknowledged that the Transmigration Department had SIAP (unused development funds). Providing details, Santosa explained that the SIAP from fiscal 1983 to fiscal 1986 totaled more than 718.8 billion rupiahs. Thus, the SIAP constitute almost 50 percent of the overall budget of 1.5 trillion rupiahs.

Meanwhile, for fiscal 1987 the Transmigration Department will be allocated 325 billion rupiahs. This is some 25 percent less than last year's allocation of 418.9 billion rupiahs. However, the APBN [National Estimate of State Expenditures and Income] for 1986-87 in no way is the real budget because the SIAP as of March 1986 will be taken into account in this budget.



Santosa reported that it is far easier to plan than it is to prepare the land and build resettlement areas as well as mobilize and educate the transmigrants. Only 1.9 percent of the work of preparing resettlement housing was accomplished in fiscal 1986, for instance, and 77 percent of the area was cleared in the same fiscal year.

He noted that mobilization and placement of transmigrants also advanced very little, only at a rate of 0.92 percent. Preparation of new resettlement land advanced at a rate of 6.33 percent during the same period.

Land preparation, he said, is one of the most critical aspects of the transmigration program. However, delays in preparing land were not merely due to technical problems. "The lack of established planning, coordination, and supervisory procedures has caused delays," he said.

As of November 1985, 58,754 KK (families) of the planned 247,702 families were moved for fiscal 1986. Various impediments prevented the movement of the remaining 188,938 families included in the PIR (people's nuclear companies) transmigration program.

Together with the ABRI

Santosa said land preparation, which to date has encountered many obstacles, will be implemented together with the ABRI (Republic of Indonesia Armed Forces). The cooperation evident in the Tomo III, Mamuju, South Sulawesi, villages in January 1986, he said, was very encouraging.

To reduce the SIAP, Santosa said, the government has improved transmigration coordination especially in the field where it is headed by governors and regents. For site selection, only haphazard efforts were made to raise the requirements for such selection and to organize the RTSP (Resettlement Unit Technical Plan) more systematically. "Aid from the World Bank was obtained to keep these problems from arising in the future," Santosa said.

On this occasion, Santosa regretted this poor management because anything attempted must show definite results in fiscal 1987. "However, because of the limited funds available, everything possible must be done in all aspects of the program to reduce the SIAP."

The increasing shortage of available land, according to Santosa, creates problems for transmigration development. As a result, it is difficult to plan as expected because of the overlapping interests of other sectors.

The limited funds available also force the government to expand opportunities only for self-motivated transmigrants who will move to the transmigration areas at their own expense. In this respect, it is expected that the development undertaken in these areas will attract self-motivated transmigrants. It is also hoped that investors in the agro- and agri-businesses will attract many more self-motivated transmigrants.



## INDONESIA

### PROBLEMS FACING PERTAMINA OIL INVESTMENTS

#### Pertamina Official on Oil Investments

Jakarta KOMPAS in Indonesian 25 Feb 86 p 1

[Text] Although the world oil market is continuing to weaken and the role of petroleum in state income is still declining, the investment climate for oil and natural gas in Indonesia is not gloomy.

Petroleum investors in Indonesia at present include foreign companies which are considered very strong. They continue to be involved in the petroleum world after careful consideration. At least they see world economic conditions as improving by the year 2000. In order to be ready to deal with the anticipated economic recovery by the end of the century, they must begin to make investments as of now.

Engr Suleman Zuhdi Pane, chief of community and foreign relations for Pertamina, stated on 24 February that investments by foreign companies in the petroleum sector in Indonesia during 1986 will amount to \$3,564,000,000, of which \$877 million will be spent on prospecting. In 1985 total investments only amounted to \$3,290,000,000, of which \$861 million were for prospecting. In 1984 investments amounted to \$3,456,000,000, \$927 million of which were for prospecting. The total prospecting budget shows that the petroleum industry is not as gloomy about the future as reported.

#### Six Contractors

According to Zuhdi Pane, in 1985 four contractors signed prospecting contracts: Japex, for the North Sumatra offshore area; Promet, for the offshore area in the Arafura Sea; Scepter, for the offshore area of East Kalimantan; and Union Getty, which will be partly involved in explorations onshore in Kalimantan. In 1985 Esso and Total Indonesia did not sign contracts because of tax problems which had not yet been resolved by the Department of Finance.

However, Zuhdi Pane said, it is hoped that these two companies will sign contracts this year. In all, it is hoped that six oil companies will sign prospecting contracts this year. Pane added: "It is better not to talk about the other four companies before the negotiating process has been completed."

The number of exploration wells drilled also shows a desire to search for oil and natural gas in Indonesia. In 1984 211 such wells were drilled; in 1985 this total increased to 228 wells. A total of 244 test wells has been approved for 1986.

#### Procedures Often Hamper Projects

Jakarta KOMPAS in Indonesian 25 Feb 86 p 1

[Text] Jakarta, KOMPAS--Procedural complications in project management are often a cause of delays in the implementation of projects. To resolve this matter, simple and clear procedures must be established, and project management must be improved.

This was stated by Prof Dr Saleh Afiff, minister of state for administrative reform, on 24 February when he spoke to persons attending the project management course at the Education and Training Center of State Administrative Institutions. There are 78 persons attending the course, which will last until 14 March.

According to Saleh Afiff, lengthy procedures up to the present were intended to ensure security on the projects. However, in fact such procedures have led to violations of the law.

He said: "For example, take the signature of a report on the status of a given project. Why must 10 people sign them? The person who should check the report in detail is the official who was the first to sign it. The rest just glance at it."

He also emphasized that all project leaders must play an active role. This means that if some obstacle develops in connection with a project, it should be resolved as quickly as possible. He added that this should particularly be the case if the obstacle is caused by and is related to another government agency.

He said firmly: "Don't just wait around or put the case into some drawer. That isn't right."

According to the minister, inadequate skills and shortcomings in the management area often cause delays in the rate at which development projects, which are increasingly needed by the people, are implemented. He added: "Every government official should be capable of taking action."

Regarding the rescheduling of large projects in particular, for which the funds originate from abroad, this is an effort by the government to save on the expenditure of available funds. And the most important aspect of this policy is making sure that our debts are not as great as they would have been if the project had been continued.

INDONESIA

RICE SELF-SUFFICIENCY EXPECTED TO CONTINUE

Jakarta SINAR HARAPAN in Indonesian 18 Feb 86 pp 1, 12

[Article: "PERHEPI Says Rice Self-Sufficiency Probably Will Be Maintained in 1986"]

[Text] Jakarta, 18 February--The floor price set by the government for paddy actually provides enough of an incentive for farmers to continue producing rice, Dr Rudolf Sinaga, chairman of the PERHEPI (Indonesian Agricultural Economics Association) told the DPR [Parliament] Commission IV in a hearing held on Tuesday morning [18 February].

Based on calculations of the Agro-economics Center, the floor price for 1 kg of dry stalk harvested paddy is 129 rupiahs (median price between 111 and 145 rupiahs, land rent and interest having been taken into account). The price would be about 161 rupiahs per kg if storage fees were included. Therefore, if the government bought paddy at 175 rupiahs per kg, rice self-sufficiency probably can be maintained in 1986.

According to Sinaga, godowns have now been established in all subdistricts so there no longer is any problem with rice storage as had been the case frequently last year.

Responding to a question from a member of the commission in the hearing chaired by Warno Hardjo, Rudolf admitted that there still was a discrepancy between the floor price and the return to the farmer because the post-harvest season has not yet been handled well.

The PERHEPI chairman felt the price for unhulled paddy dropped during last year's harvest season because supplies rose while demand remained relatively constant. He said Indonesia was self-sufficient in rice for the past 2 years because surplus production had been absorbed by the BULOG [Logistics Affairs Agency].

In 1984 production amounted to 25.8 million tons, imports totaled about 414,000 tons, and stocks at the beginning of 1984 amounted to some 91,000 tons. This means that supplies of rice totaled 27.149 million tons. On the other hand, according to Sinaga, demand for human consumption and seeds totaled 23.52 million tons, which gives a surplus of 2.295 million tons [as published].

The price of rice dropped drastically in early 1985 because of the 1984 surplus.

Sinaga added that the better quality demanded for paddy purchased by the BULOG further encouraged the drop in the price of unhulled paddy on the market. Changes in the government's attitude toward the farmer in the post-harvest period further aggravated the situation.

With the use of early-maturing seeds by the farmer and the stabilization of the rice price, less rice had to be stored or the farmer sold most of his paddy at harvest time.

According to Sinaga, a serious effort must be made to manage the post-harvest period in order to raise the farmer's income from his surplus harvest. Also, a market mechanism must be created so that the floor price set by the government provides a fair return to the farmer.

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INDONESIA

ACTIONS AGAINST MONEY-LOSING COMPANIES OUTLINED

Jakarta SUARA KARYA in Indonesian 20 Feb 86 p 1

[Article: "Government Will Take Stern Measures Against Money-Losing BUMN"]

[Text] Jakarta (SUARA KARYA)--The government will take stern measures against directors and heads of State-Owned Business Agencies (BUMN) that lose money because of mismanagement. "Those who are definitely proved to have managed their companies poorly will be replaced," said Radius Prawiro, minister of finance.

In a working meeting with the APBN [National Estimate of State Expenditures and Income] Commission headed by Rahardjo, the commission chairman, held on Wednesday [19 February], Minister Radius disclosed the measures that will be and are being taken against money-losing BUMN now under investigation.

The money-losing BUMN's will be reorganized, for instance, through mergers, creation of a sound financial position by revamping their capitalization structures as well as by increasing profits and reducing operational expenses.

Oscar Suryaatmadja, director general for domestic monetary affairs, who accompanied Radius, stated that efforts to make the BUMN more efficient included the establishment of a good accounting system to control expenditures.

"The BUMN must adopt standards of both technical as well as financial efficiency, like those established in healthy companies," he said. The BUMN must also adopt rational business practices and should follow them when submitting tenders for national projects so that they can actively compete with privately-owned companies.

The finance minister instructed departments not to finance development projects by borrowing money from the BUMN's. Departments subordinate to the BUMN should control expenditures through supervision.

BUMN investment programs must be combined with investment programs handled and financed by the government to obtain optimum results.

The working meeting held by Rachmat Saleh, minister of trade, with Parliament's Commission VII reacted strongly to privatization about which the APBN Commission questioned Radius.



Rachmat Saleh, expressing his personal opinion, said, "Private companies have a definite place in a national economic system. I do not agree that the BUMN, especially those within the Department of Trade sphere, namely, state-owned businesses, should be turned into privately-owned companies."

In the working meeting headed by Dahrif Nasution, chairman of Commission VII, Rachmat Saleh agreed with Mubyarto, a professor on the Economics Faculty of the UGM [Gajah Mada University], that privatization of the BUMN's is not the correct solution for raising their efficiency.

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INDONESIA

NARO REFUTES ALLEGED INVOLVEMENT IN BANDAR BETSY INCIDENT

Jakarta SINAR HARAPAN in Indonesian 21 Feb 86 pp 1, 12

[Text] Jakarta, 20 February—The Central Executive Council of the Development Unity Party (PPP) warned all of its provincial and branch executive councils that an effort is still being made by a number of members of the party to oppose the government policy of only recognizing the results of the first congress of the PPP, which was held 20-22 August 1984.

This matter was contained in Letter No 140/IN/DPP/II/1986 of 11 February 1986, which was sent to party provincial and branch executive councils throughout Indonesia. The letter was three pages long and was signed by Dr H. J. Naro, master of laws and general chairman, and Doctor Mardinsyah, secretary general. Copies were sent to the minister of home affairs, the commander of the Indonesian Armed Forces and the commander of the Security and Order Command, to provincial governors, to commanders of military regions and of provincial special branch units, and to regents and mayors of cities throughout Indonesia.

According to the letter, the effort to oppose government policy is being directed by six members of the Central Executive Council and members of the Development Unity Faction in Parliament. In this connection at the working session held by the PPP on 18 December 1985 in Jakarta the commander of the Indonesian Armed Forces and commander of the Security and Order Command and the minister of home affairs, represented on this occasion by the director general for social and political affairs, declared that the government only recognized the conclusions of the First Congress of the PPP.

Bandar Betsy Affair

The letter stated that one of the efforts being made involves spreading the slander, both orally and in written form, connecting the general chairman of the PPP with the Bandar Betsy affair.

It is stated that, in connection with the Bandar Betsy affair, which resulted in the killing of Acting Second Lieutenant Soedjono in 1965, Naro and Choudri

were assigned by then Minister of Justice Astrawinata to look closely into how this matter stood.

A government office with the task of conducting judicial investigations was established as an independent agency in 1961 with the name of the Department of State Prosecutions. A government office with the power to try cases in a technical sense was under the Supreme Court, and the Department of Justice only handled administrative matters.

#### Incident

In the letter prepared by the PPP Central Executive Council the incident involving the murder of Second Lieutenant Soedjono was also discussed. This affair flowed from a land dispute, in which the government and an agricultural estate company, on the one hand, and the BTI/PKI [Indonesian Farmers Corps and the Indonesian Communist Party] on the other hand, each claimed to be the owner of the land in dispute. The agricultural estate company considered that the incident involved murder, while the BTI/PKI considered that this was a case of self defense.

When the incident occurred, Second Lieutenant Soedjono had been resting. He had unbuckled the chin strap of his steel helmet. The helmet was taken and then put on by a member of the BTI. Second Lieutenant Soedjono asked for the helmet to be returned, striking the helmet, which was being worn by the BTI member, with the branch of a tree.

Second Lieutenant Soedjono, who subsequently left the place where the above incident took place, was intercepted and attacked by several BTI members, who beat him with wood and bamboo clubs. Indeed, some of them used the handles of hoes to hit him.

The PPP Central Executive Committee letter stated: "The representative of the Department of Justice considered that this incident was a case of deliberately planned murder."

Based on this statement, the Central Executive Council urged PPP members to remain united and vigilant and to increase cooperation with provincial governments and the Indonesian Armed Forces, as well as all social and political forces and mass organizations.

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CSO: 4213/114

INDONESIA

MURDANI WARNS AGAINST UNCONSTITUTIONAL ACTIONS

Jakarta HARIAN UMUM AB in Indonesian 27 Feb 86 p 1

[Text] Denpasar, HARIAN UMUM AB—General L. B. Moerdani warned that no one should force others to bend to his will in violation of the constitution or by taking action which abandons the principle of mutual discussion leading to a consensus. Furthermore, no one should go so far as to damage or create disorder in our process of national development or damage the foundations of our democracy.

The government clearly will take firm action in such cases, under the laws in effect. Those involved in such actions will be facing the entire Indonesian people, who have adopted the Pancasila and the Constitution of 1945 as our national system which is most suited to us. The Indonesian Armed Forces and the people as a whole will not support such actions and will neutralize any attitudes and efforts in conflict with the Pancasila and the Constitution of 1945.

Expressing his views and opinions before 400 persons attending the Fifth Congress of the Parisada Hindu Dharma on 25 February at the Juana Mandala Building in Denpasar, General L. B. Moerdani reiterated, among other things, that we may have different views about finding the best ideas to solve some questions. However, in his view, this does not mean developing such differences of view into formal disputes.

Differences of opinion expressed in such a way as to force the views of one person on another because the first person does not want his views to be limited in any way and does not want to accept the spirit of mutual discussions leading to a consensus, using the mechanism of Pancasila democracy, clearly creates concerns which threaten the national development efforts already made. Subsequently, disputes of that kind can also explode into brutal actions which destroy the foundations of national life which we have created with such difficulty up to now.

He concluded: "We are convinced that our national development up to now has been in the right direction and we will continue to expand and improve it in the future."

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## BRIEFS

AIR SQUADRON 15 COMMISSIONED--Madiun, 17 February--Marshal, TNI [Indonesian National Army], Sukardi, TNI-AU [Air Force] chief of staff, explained that by mid-1989 the Air Force would be equipped with excellent equipment for an air weaponry system which is more in line with the latest technological developments. Sukardi made this statement on Monday morning [17 February] at the Iswahyudi Air Base in Madiun when he handed over the banner of Air Squadron 15 to its new unit. The KSAU [Air Force chief of staff] made no mention of the type of aircraft that would be made available to the squadron, but General, TNI, L.B. Moerdani, ABRI [Republic of Indonesia Armed Forces] commander, some time later confirmed that Indonesia would buy the F-16 "Fighting Falcon," and that the first aircraft was expected to arrive in Indonesia early in 1988. At present, the TNI-AU has three jet fighter squadrons, Squadrons 11, 12, and 14. The newly-formed Squadron 15 consists of the "H.S. Hawk" advanced trainer aircraft made in England which is capable of functioning as a tactical fighter because it is equipped with canon and bomb carriers. The banner of the new squadron was handed over to its commander, Major Pnb Agoes Suwarno. It carries a symbol made up of Halley's comet and lightning which stand for bravery and command of science. For technical reasons, the home base for the new squadron will be the Iswahyudi Air Base, which is the biggest and best equipped TNI-AU air base. [Text] [Jakarta SINAR HARAPAN in Indonesian 18 Feb 86 p 12] 6804

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PHILIPPINES

PHILIPPINE WEEKLY ASSESSES REALIGNMENT OF POLITICAL FORCES

HK101456 Quezon City WE FORUM in English 1-7 Apr 86 p 5

[Article by Desiree Carlos]

[Text] A realignment of political forces, which will require a substantial role for the now isolated left, will take place once the threat of a military takeover in the country takes shape.

A former political prisoner, who refused to be identified due to continued military surveillance, predicts that the military, which tasted unlimited powers under the fascist regime of deposed President Marcos, will very likely grab power once it is pushed to the wall.

The so-called "pushing" can come from the newly-created Presidential Commission on Human Rights whose main task is to investigate human rights violations during Marcos' 20-year iron rule, identify and recommend punishment for the violators and suggest forms of indemnification for victims, he added.

Members of the military, perhaps the only institution disturbed by such a development, issued statements which clearly showed disapproval of the commission even while the plan was still being hatched by liberal democrats in the Aquino government.

The very creation of the commission, they said, is a divisive move saying that national reconciliation calls for forgiveness and forgetting past "mistakes."

Such statements are not surprising at all considering that the military may be placed in centerstage in the commission's investigation as the accusing finger seems to be pointed at them in every island of the archipelago.

The former political prisoner said that the military, feeling the "very real threats" posed by the Human Rights Commission, might simply decide they can run the country far better than the liberal bourgeoisie they helped install in power.

"The history of Latin American countries, where dictatorial were brought down by rightist elements through the help of the military, showed that the same military toppled the liberal bourgeoisie government it helped into power," he said.

The military, he added, will very likely allow civilian representatives in the "government" so as not to isolate itself totally from the people.

The former political prisoner remarked, "The fascist ideology is still very alive with institutions installed to prop up a dictatorship still existent. Perhaps it is bowing to people power but this can be temporary only. When some adverse conditions come into being, the fascist elements will be a solid camp."

The military can grab power, he said, through various means. They can easily stage a coup d'etat but this has become very unpopular to peoples of the world. Or the president can be assassinated with the help of some "overly-ambitious" persons in government and a national emergency can be called, a situation which will of course require maximum military participation.

But the military, by experience, would likely resort to a more subtle means of installing itself in power, the former political prisoner said.

The former political prisoner recalled that prior to the declaration of martial law in 1972, the military and the Marcos government circulated reports that the New People's Army had intensified its operations and that the Communist insurgency was fast spreading.

"They created an artificial political crisis to justify the declaration of martial law. They even planned and staged fake ambushes and blamed these on the NPA," he said.

The same ploy can be utilized, he added, by possibly emphasizing through the help of "allies" the failures of the Aquino government. Such failures can further be played up to show that insurgency is rising due to the new government's failure to provide for the economic needs of the people.

In the March issue of ANG BAYAN [THE COUNTRY], the official paper of the Communist Party of the Philippines (CPP), it was noted that "there have been strong indications that President Aquino holds liberal views on vital issues, especially those pertaining to the people's political rights.... Mrs Aquino's liberal standpoint is important because she wields the authority of her office and enjoys popular support, making it difficult for others to openly and stubbornly block her proposals."

But, CPP continued, "Aquino's moves are delimited by the fact that reactionaries are stronger than the progressive liberals in the overall balance of forces within the coalition (which holds the reins of government and composed of the civilian bloc, represented by UNIDO-LABAN [United Nationalist Democratic Organization-People's Struggle] and the big compradors under the strong influence of the Catholic church, and the military (bloc)."

The "reactionary" military, the CPP noted, remains the largest organized force in the coalition despite its defensive position politically. Worse, it is said to be "under effective U.S. imperialist domination" considering that it is largely funded by U.S. aid, advised by U.S. military officials on its counter-insurgency efforts and equipped with U.S.-made ammunitions.

"Enrile and Ramos have been consolidating their own independent military clique. This clique can substantially limit the broad effects of reforms being pursued by Mrs Aquino and also threaten to dominate the coalition itself. They can also link up with a reactionary civilian clique within the coalition. What they want is to reform the AFP [Armed Forces of the Philippines] so it would be more efficient, and take on a 'popular' image, as it wages counter-revolution. U.S. imperialism has been the principal force behind this direction of reforming the fascist army," the CPP said.

As this develops, the civilian bloc is being weakened by trivial squabbles such as who should be appointed to what post.

Meanwhile, the U.S. has the declaration of the Aquino government as a revolutionary one as "this would mean the whole-sale removal of Marcos' appointees and former partymates which could be used to block the expansion of democratic reforms and the meting out of justice to those who have committed serious crimes against the people. Such a move would also undercut the UNIDO's favorable position in the composition of the Batasang Pambansa," the CPP added.

The former political prisoner noted that the military could easily take over the reins of government with U.S. help (in terms of military equipment and expertise) and aid from reactionary forces in the civilian bloc.

Such a takeover can be triggered not only by a serious threat to the military but also by a not so far-fetched threat to the continued existence of the U.S. military bases and removal of "assurances" for large profits for multinational corporations.

The former political prisoner said that such a military takeover can only be successfully averted by a realignment of political forces. He said that reactionary forces should be weakened while the progressive elements should be strengthened with a consolidated mass base.

The CPP, in its March AB issue, stressed the need to support Aquino insofar as policies instituting democratic reforms are concerned.

"We must give due attention to spreading and deepening our roots among the broad masses of our people, and support the initiatives of liberal and progressive forces inside and outside the government for democratic reforms, whether or not they are closely coordinating with our own organizations and activities," the CPP emphasized.

The CPP further stressed the need for all political forces--revolutionary or not--to sustain and direct the mass movement towards the full dismantling of the "fascist and imperialist machinery" to be able to attain "national liberation and genuine democracy."

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CSO: 4200/907

PHILIPPINES

PAPER URGES AGAINST RUMP BATASAN SESSION

HK120423 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 9 Apr 86 p 4

[Editorial: "Rump Meet Is Ill-Advised"]

[Text] KBL leaders appear to be more interested in their political survival, rather than in forming a new and credible party which could fiscalize the Aquino regime and present alternative programs of government.

By not accepting that the Aquino government has absolute powers and that the Batasan has been abolished, the KBL leaders are in effect refusing to yield to "people power." They are also practically telling the people to fight the new government, and revert to the days when the KBL and parliament were one and the same.

Thus, it is easy to see the effects of the one-man rule of Marcos. Because Marcos wielded a strong hand, we now see disarray in his party. By design or by accident, Marcos failed to develop lower echelon leadership. His departure signaled the start of a mad scramble for anything which offered survival.

Some sought a new party, hoping the people would not notice that it was still made up of the same group of Marcos followers. Others simply chose to join the winners, the traditional way to survive, and many of the KBL's did. Still others are running true to form, waiting for a new leader to emerge.

The KBL should realize that beggars cannot be choosers, and at this stage of the game, the party is but a shadow of its old self--deserted, leaderless, and discredited. And it will remain discredited, until its members prove that they can speak for themselves, that the new government does not have a monopoly on ideas on how to have a good government.

The KBL should stop talking about a rump session. They have had their day, and it's time to try a new act.

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CSO: 4200/907



PHILIPPINES

COLUMNIST URGES KBL CRITICS HAVE FAITH IN AQUINO GOVERNMENT

Manila MANILA BULLETIN in English 11 Mar 86 p 4

[Commentary by Benedicto David: "Unreasoned Fear"]

[Text]

**W**E can understand the attitude of former Political Affairs Minister Leonie Perez when he said that there were no rights guaranteed in black and white under the Aquino government.

The last government we had was legalistic. It observed the letter of the law but not the principles of justice. It used the law to imprison, steal, torture and kill...despite the fact that the rights of the individual were supposedly guaranteed "under the law."

In point of fact, since Marcos could "legally" issue laws all by his lonesome self, what we had was a rule of one man over 60-million Filipinos. When he said people were breaking "the law" all he was saying was that they were disobeying him and therefore breaking the "law."

Justice Minister Neptali Gonzales suggested that the people judge the new government which is currently exercising revolutionary powers, not by what it might do, but by what it actually does.

There is a saying in Latin that "contra factum non valet iuris"....against a fact, there is no argument.

We suggest that the old KBL

corps study it well because in the final analysis, what matters is how the government treats the people...and not what the law says it should do. For the past 12 years or so, we have been hearing legalistic platitudes "emanating from the Palace even as we were being kidnaped, killed and sucked dry by the insatiable greed of the Marcos-Romualdez clique. It did not matter how "legal" everything was. The fact is that we were abused and we could not even seek justice because the entire justice machinery was manipulated to serve the ends of one man and his gang of cronies.

We subscribe to the idea that what we have is a government that is extra-constitutional at the moment, but one that is moving for the benefit of the people who risked their all to establish and support it.

And among those who supported it were the "loyalist" soldiers and officers who refused to fire on their brothers and sisters despite orders from Malacañang.

Yesterday, for example, we met a group of nuns who were seeing Gen. Josephus Ramas, former Army commander. They were there to offer him support...as he had offered them support when he

was in power.

One of them referred to him as "our protector and our big brother." He had saved them while they were working for the poor and the needy in Samar. They were among those nuns who faced down tanks on EDSA. Now, they are supporting General Ramas whom they believe disobeyed orders to fire upon the people.

We believe, as do most people, that the Aquino government is trying to clean house and set things right before drawing up a new Constitution for the approval of the people.

We believe that this is in fact necessary to recover from the Marcos-Romualdez gang whatever it can get back for the country's barren treasury.

We also believe that the Aquino government is not going to tolerate abuse of the people by any government agency...including the armed forces.

At this point, it is a matter of faith...the same faith that braced tanks and put Cory in power.

"But it is not in black and white..." true. But it is engraved in the hearts of the people.



PHILIPPINES

COLUMNIST VIEWS POWER OF AQUINO EXECUTIVE SECRETARY

Manila MANILA BULLETIN in English 16 Mar 86 p 7

[Commentary by A.O. Flores: "(The) Joker Is 'Wild'"]

[Text]

**S**INCE his appointment as Executive Secretary, I've been trying to get in touch with Joker Arroyo. Boy, is he wild!

(No offense, sir. By that, I just mean that it's so difficult to catch you for an interview.)

Can't blame the man, though. His is a job that keeps him ever on the go.

Ah, but that's what I want to see him about. His job. If the Office of the Executive Secretary is what it used to be, say, in Rafael Salas' time, boy, is Joker wild!

(In poker, when the joker is declared wild, the card may be what the player wants or wishes it to be. From ace to king. A most versatile card, the joker is.)

The multiple functions of the Executive Secretary make him the most versatile card in the Presidential suite. Starting out in President Quason's time with largely, if not purely, administrative duties, the Executive Secretary grew in scope as well as in influence with the years and eventually embraced "seventy percent of the President's powers." Even in the remaining thirty percent which was the President's exclusive concern, that

of policy decision, the Executive Secretary's opinion or advice was sought by the President. As "an extension of the President's personality," the Executive Secretary was often called by such sobriquets as the "President's sidekick," the "President's alter-go," the "President's shadow," and, most popular of all, the "Little President."

Included in the list of the Executive Secretary's powers were 62, repeat, 62 special cases where his signature was required. These were papers bearing the awesome inscription TO BE SIGNED "BY ORDER OF THE PRESIDENT" or "BY AUTHORITY OF THE PRESIDENT."

Not only did the Executive Secretary act for the President, he acted as the President. Virtually.

(If you are not too busy, sir, you may want to compare notes with what I have in a series of articles I wrote back in 1967 on the history of the Office which you now occupy, sir. It's called "The Man Who Runs Malacañang.")

If the Executive Secretary today is what he used to be — perhaps even more — boy, is (the) Joker wild!

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CSO: 4200/911

PHILIPPINES

ASSASSINATION SUSPECT LINKS AIR FORCE COLONEL TO PLOT

HK091413 Hong Kong AFP in English 1352 GMT 9 Apr 86

[Text] Manila, April 9 (AFP)--A colonel has been linked by a suspect in an alleged assassination plot against President Corazon Aquino, Defense Minister Juan Ponce Enrile said Wednesday as the government generally downplayed the incident.

The 30-year-old suspect, Romualdo Mercado, claimed while in police custody that he was hired to shoot Mrs Aquino at a March 2 outdoor rally here but had a change of heart at the last minute.

Referring to earlier press reports here which said a general still in the active service masterminded the alleged assassination plot, Mr Enrile told state-run television in an interview:

"From what I gathered from (Armed Forces Chief) General (Fidel) Ramos, the officer mentioned is not really a general but a colonel." Mr Enrile did not disclose the second suspect's identity.

"The reference to him was somewhat uncertain." He was just mentioned in passing," Mr Enrile said, but added that they were investigating the allegation because "any attempt against the presidency is a serious matter."

The station, quoting unnamed military officials, said the colonel alleged to have offered Mr Mercado 500,000 pesos (\$24,390) to kill Mrs Aquino belonged to the Air Force and was a staunch supporter of deposed President Ferdinand Marcos.

Presidential spokesman Rene Saguisag repeatedly stressed the word "alleged" in describing a plot cited by the jobless Mr Mercado, from Mrs Aquino's home province of Tarlac, who was arrested by police for theft Friday and turned over to presidential security officials.

Police said Mr Mercado claimed that he pretended to be a photographer at the rally celebrating Mrs Aquino's assumption to the presidency after a military-civilian revolt toppled Mr Marcos.

Mr Saguisag told a news conference that Gen Ramos had created a probe team from the Philippine Constabulary to look into the supposed plot.

Steps were taken regarding the case because "one cannot be too careful or circumspect" about the president's security, he said, but stressed that the issue was not taken up in Wednesday's cabinet meeting.

"Let me please stress all the time that this is just an alleged assassination plot," Mr Saguisag said.

"No definitive conclusion really has been made, so it is out of abundant caution that the military is joining, because anything that relates to the security of the president assumes top priority," he said.

The presidential spokesman said the alleged plot appeared to support a public clamor for Mrs Aquino to stop commuting daily between the presidential palace and her modest bungalow in an affluent suburban residential area.

He said Mrs Aquino, who works in a palace guest house, was "shopping" for a possible residence near Malacanang Palace, which she turned into a museum showcasing the extravagant lifestyle of Mr Marcos and his wife, Imelda.

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CSO: 4200/907

PHILIPPINES

CEBU ATTORNEY FEARS REVOLUTION GAINS FADING

Cebu City VISAYAN HERALD in English 19 Mar 86 pp 1, 4

[Article by Letty Suico]

[Text]

One of Cebu's prominent legal luminaries observed that the next six months of the present administration is politically delicate.

**FREE-LAVA** chairman Atty. Bernardito Florido said the gains which were achieved by the recent revolution are fast losing grounds. He cited an example the turmoil in the replacement of local executives.

Florido likewise emphasized that the prosecution of hidden wealth should come about simultaneously with economic recovery in the countryside. "Up to the present, I have not heard any sound economic policy initiated by the government, and the political coalition as well as political system are both tenuous and shaky," he observed.

Florido is of the opinion that first and foremost the government should concentrate on economic recovery in the countryside.

On the other hand, he stressed that the present administration is in fact a revolutionary government because President Corazon Aquino was not proclaimed by the Batasang Pambansa but by the direct act of the sovereign will of the people. "On the practical level, he said, there is really no need to declare that this is a revolutionary government." It is in fact, a revolutionary one but selectively enforcing some existing laws," Florido said.

As example of selectively enforcing some existing laws, Florido cited that Local Governments Minister Aquilino Pimentel recognizes the term of office of local government officials in accordance with the election code. Another example he gave was that President Aquino herself recognizes the Supreme Court by appointing and acting chief justice. (LS)

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CSO: 4200/911

PHILIPPINES

OPLÉ CREATION OF SPLINTER PNP PARTY VIEWED

Quezon City ANG PAHAYAGANG MALAYA in English 18 Mar 86 p 4

[Commentary by Luis R. Mauricio]

[Text] THE LONG period of political tutelage of former Labor Minister Blas Ople under Mr. Marcos seems to be years well spent. He imbibed much of the genius of the master.

Now that his mentor is gone — fled to an uncertain future — the pupil is putting to good use the political tricks he learned. At present he is engaged in a herculean project which involves pulling the wool over the eyes of the new mandarins. And the latter, it appears, are beginning to see, or to imagine seeing, things — sign enough that the pupil, left to his own devices, got passing marks.

Oh, if only his mentor, hitherto the champion wool-puller, could see him now!

OPLÉ'S project requires some sleight of hand. It is as difficult as removing the stripes from a zebra. Something like: now you see it, later you don't.

The other day, he unveiled the initial product of his labor of magic. He got 43 other Mambabatas like himself, scrubbed their faces grimy with Kilusang Bagong Lipunan soot until they were shiny and spanking clean; then, with a wave of the hand, presented them to the public.

And look, ma, what have we got here? No longer the villains with the KBL hides. They are now members of an esoteric group, the Partido Nacionalista ng Pilipinas (PNP).

According to Ople, they are prepared to claim "the historical legacy of the old Nacionalista Party (NP) from

the time of Quezon and Osmena. . . . and develop that legacy into new and exciting forms to suit a new birth of democracy and liberty in the land."

There's no mistaking that verbiage. It cannot be anybody else's but Ople's.

(By startling coincidence, the PNP's birth was announced at about the same time that the papers published news of the death of former Senator Jose J. Roy, president of what was popularly known as the Nacionalista Party of the Administration (NPA). The least that MP Ople could have done, having already adverted to the "old" NP, of Quezon and Osmena was to insert somewhere along the line an obelance to the relatively "new" NPA of Roy and Bulacan's Alejo Santos.)

THE PROJECT to deodorize those infected with the Marcos stink started in an auspicious manner. Having just returned from the US only to find that the new Aquino-Laurel government was already firmly on the saddle, Ople announced that he was disowning his mentor because, to use his own words, "he betrayed us."

The announcement came like a bolt of lightning from out of the blue. The people knew that Mr. Marcos and Mr. Ople were — let's see, what's the American slangage for it? — they were "thick as thieves." The latter was responsible for the finely chiseled phrases in the ex-President's speeches. Not only was he the Marcos speech writer; he was also his political confidant. It was,



because of this close rapport that he expected Marcos to pick him as his vice-presidential teammate.

When Ople recently left for the US, everybody knew he went there on a political errand for Marcos, just like that given the "resigned" Ambassador J. V. Cruz, who left at about the same time for Europe.

Their mission was to convince the world - the Americans, in the case of Blas, and the British, in the case of JV - that the Feb. 7 election in the Philippines was the cleanest ever and that Marcos won handily over that... that "mere housewife."

So when Ople announced he was disowning his erstwhile benefactor, observers raised their eyebrows, as if to say: What is this? Another Johnny Ponce Enrile act?

It was clear in the minds of whoever heard or read Ople's announcement that the object of the Marcos betrayal were the Knights of the Bagong Lipunan. But Ople was vague about how Marcos betrayed these KBLs.

Was it because Marcos did not tell Blas and his fellow innocents how he was to win by massive cheating? Or was it because Marcos skeedaddled with the loot?

Either one or the other reason, it must be admitted, could be good enough ground for feeling betrayed. However, politics being what it is and Filipino politicians being what they are, every political announcement deserves to be taken with a grain of salt,

IN HIS ten-point program for his new party, Ople made the point evident that the Gang of Forty-four had one main objective in mind: to stop the dismantling of the Batasang Pambansa.

In order to attain this end, they were dangling before the 60 or so quondam oppositionists in the assembly their collaboration so that there be "no further obstacle to the attainment of a clear majority for the government in the Batasan, as indicated by existing headcount, and this will clear the way for the election of a Prime Minister and a Speaker chosen by President Aquino." (Point No. 2 of the program).

The result will be, as stated in Point No. 1 of the program, "a formal change of status that will remove any ambiguities about the de jure status of the existing government through a Batasan process" - in short, a Batasan proclamation that Mrs. Aquino and Doy Laurel were the winners in the last election.

How shallow! The offer of a 180-degree reversal comes too late. The new government does not need the Batasan imprimatur to invest it with legitimacy. The people had already given it that.

President Cory and his eager-beavers would just turn out to be super-duper dopes if they so much as listen, or give serious thought, to Blas Ople's proposal for a self-serving *modus vivendi*.

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CSO: 4200/898

PHILIPPINES

MALAYA BACKS OPLE CALL FOR INQUIRY ON U.S. TIES

Quezon City ANG PAHAYAGANG MALAYA in English 20 Mar 86 p 4

[Commentary by Luis R. Mauricio: "Ople Idea Makes Sense"]

[Text]

**A**LTHOUGH Blas Ople was unconvincing in his belated bewailing that Marcos "betrayed" the KBL Gang of Forty-four, of which he is the anointed leader, he was talking sense when he proposed the other day that investigation be made into the true role of the US government, as well as the extent of that role, in the shaping of events which led to the overthrow of his erstwhile political mentor and idol.

In pressing for that inquiry, the former Labor minister echoed the fears of objective observers of the national scene — those who view events and examine statements with the cold impartiality of a surgeon's scalpel — that the American hand in the four-day (Feb. 22-25) bloodless coup may not have been as innocent and perfunctory as it had been made to appear.

The fact that the people's revolution last February resulted in national liberation from a 20-year dictatorship should be no reason for shying away from an investigation which might point to external intervention in the country's internal affairs. Interference in matters pertaining exclusively to a sovereign state is not warranted by the good result it produces.

The benefits to be gained by the country from such an investigation are incalculable. A knowledge of the modus operandi, the process employed, will prevent its repetition in the future, from whatever direction.

**T**HE NEW government, by conducting such an investigation, does not thereby impliedly minimize the vital part the people played in forcing Marcos out of Malacanang. Nothing can diminish the heroism they displayed in those four history-making days of February.

They massed in Cubao unherded, without expectation of getting paid, unlike the hawot crowds ferried to KBL rallies. They brought their food and extra rags for beddings, determined to dig in for days and nights. They risked their lives, braving heat, cold, hunger and the Armed Forces' tanks. And they did all these without being directly led by any one. It was people power, all right.

That explains why there was a torrent of dissenting voices when US government officials, notably State Secretary Schultz and Defense Secretary Weinberger, subtly claimed partial credit for the removal of Marcos. We did it ourselves, the masses asserted, and no thanks to the Americans.

**S**INCE then, however, many reports have surfaced, bolstering the suspicion that the US government may not have been an innocent bystander in that upheaval at all. Startling revelations have come out from Senator Laxalt, Ambassador Habib, Ponce Enrile himself, and, lately, Prime Minister Virata, all pointing to the fact that there was a scenario plotted by a cabal in order to unhinge Marcos from the throne to

which he had riveted himself.

The masses were not in on the plot. But their participation — how they would react given a set of events or series of events — figured in the formulation of the scenario for the unseating of the dictator.

**M**ANY disturbing questions remain unanswered.

Who, for instance, were the persons that Habib saw during his first trip to Manila? Who of these had a role in the plot?

Why was a contingent of crack army fighters from Cagayan under the command of Colonel Gador moved stealthily into Manila two days before the start of the people's revolution?

Was there any significance in the fact that Ponce Enrile and General Ramos holed themselves in at Camp Aguinaldo just after Habib left for home? What could be the reason for Ponce Enrile's calling up the American and Japanese ambassadors — and for his instructions to his wife to call up Cardinal Sin — before he faced the media to announce his and Ramos's mutiny?

Why were defecting PAF planes readily accommodated at Clark airbase?

Was it possible that the Marcos-Ver intelligence network was so inept it did not have any inkling at all of what the mutineers intended to do on that Saturday afternoon (Feb. 22) when they called media to a conference

three hours before the event? Was the network of Marcos loyalists so bereft of intelligence as to neglect to seize and secure, militarily speaking, communications facilities?

When martial law was declared in 1972, the first thing the Marcos forces seized and secured were the media and communications networks. Why was this not done this time, when the mutiny — as announced on radio and TV — had all the makings of a rebellion?

Was the hand of Marcos stayed? Who made him act as he did? And for what reason? Why were the US planes readied at Clark at the height of the coup? Were the Americans so sure Marcos would have to use them?

**T**HESE are only a few of the questions that beg for elucidation. There are a lot more facts that need uncovering.

If the rest of the dramatic personae could come out and reveal what they know, the public would be informed of the clandestine talks and covert activities that provided the stage where the masses, not being privy to the cut-Marcos plot, nevertheless reacted the way the plotters expected them to react.

An investigation such as that proposed by ex-Minister Ople could bring out the truth. The fact that the proposal came from one who was — and may still be — a confidant of Marcos does not detract from its validity.

PHILIPPINES

MILITANT GROUP HITS WEINBERGER VISIT, CONDEMNS U.S. AID

HK100808 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 5 Apr 86 p 3

[Text] The Nationalist Alliance for Justice, Freedom and Democracy [NAJFD] yesterday asked President Aquino to reject "US military aid" saying it provided the "lifeblood" for the dictatorship of former President Marcos and funded the training which made the military an "effective killing machine."

The NAJFD statement was timed to coincide with the visit of US Defense Secretary Caspar W. Weinberger which, the NAJFD said, represents "US intervention in Philippine internal affairs."

Weinberger will arrive tomorrow to discuss "military security" with President Aquino, Vice President and Foreign Affairs Minister Salvador H. Laurel, and military officials. He will be the first member of President Ronald Reagan to visit the Philippines under the new government.

The NAJFD said it will picket the US embassy on Monday and proceed to the Malacanang Palace to "assert national sovereignty and show rejection of US military aid and interference."

The NAJFD called on President Aquino to adopt the same stand.

The NAJFD said Weinberger claimed the US Government supported the people's uprising that deposed Marcos, yet it "propped up" the Marcos regime for 14 years.

The NAJFD said it was disgusted by the statements of US officials that the February revolution was "the greatest triumph of American foreign policy."

"The lifeblood of the ousted dictator was US aid," the NAJFD said. "US aid was given under the guise of a crusade against Communist insurgency, but it contributed to ammunition and military training which made the AFP an effective killing machine."

To this day, it said, the US provides sanctuary to the "much-hated dictator."

Let us expose its attempts to maintain dominance over our national life through such maneuvers as increased military aid, the NAJFD said.

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CSO: 4200/907

PHILIPPINES

SULTAN PROPOSES NEW ACCORD FOR MUSLIMS

Manila MANILA BULLETIN in English 20 Mar 86 pp 1, 8

[Text]

Sultan Sabdulah Ali Pacasum urged President Aquino yesterday to scrap the Tripoli Agreement and replace it with a new accord that Muslims would understand.

Pacasum proposed that the Muslim rebels abroad be invited to come home and, together with Philippine-based rebels and traditional leaders such as sultans, datos and ulamas, help hammer out a new agreement.

The Islamic Conference could send observers to lend its moral suasion and the resulting consensus could be incorporated in the new Constitution that is planned, he added.

As it is, Pacasum said, the Tripoli Agreement was a product of the 1973 Constitution, and that it was signed by only a deputy minister and was not ratified by

the Batasang Pambansa.

He pointed out that the Tripoli pact came into being after the deposed President paused from a round of golf and over the phone reached the agreement with Libyan leader Moammar Khadafy "who had a moral suasion" over the Moro National Liberation Front.

With the participation of all Muslim elements in working out a new agreement, he said, the Muslim population would be more familiar with its provisions and how these would affect their lives.

Pacasum said the idea of granting autonomy to the Muslims is theoretically acceptable, but he said the problem of how to carry out the concept arises.

The Muslims are in the majority only in the provinces of Maguindanao, Lanao del Sur, Tawi-Tawi, Sulu and

Basilan out of 13 provinces listed in the Tripoli Agreement.

In setting up a regional security force, the demographic configuration in some of the provinces would militate against such a structure, Pacasum said.

He noted that there are certain features in the agreement that the Aquino administration, like the Marcos regime, may find serious difficulty in implementing.

"If not resolved, the Tripoli Agreement would continually hang as a barrier to national reconciliation and development, would even be an obstacle to Muslim development," Pacasum said.

He emphasized that the Muslims are not better off now than they were before 1972, saying that autonomy as conceived in the agreement does not bring justice to the Muslims.

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CSO: 4200/911



PHILIPPINES

GOVERNMENT SEQUESTERS POSSIBLE DOLLAR BLACKMARKET EVIDENCE

HK120724 Quezon City BUSINESS DAY in English 8 Apr 86 p 24

[Text] Contents of eight safety deposit boxes in Equitable Banking Corp's main office in Binondo were sequestered yesterday by the Presidential Commission on Good Government (PCGG).

The deposit boxes contained records of a dollar blackmarket syndicate which former Trade and Industry Minister Roberto V. Ongpin reportedly controlled.

The commission apparently wants to go over these records to look for proofs of the involvement of former President Marcos's men in the illegal dollar market. "The documents were voluminous," an Equitable Bank official noted.

The syndicate operated what was known as the "Binondo central bank," which even had a dealing room in the Yuchengco Tower in Binondo--the business center of Filipino-Chinese groups.

At present, the dealing room is empty except for telephones and desks. It is said that when Ongpin in 1984 gathered the top seven dollar blackmarket dealers in the country, to establish government control over the syndicate, telephone lines were installed in the dealing room in one day.

Bankers noted that the Aquino government at first seemed to be in favor of continuing government control over dollar blackmarket operations. They said the Binondo reopened shortly after it closed down when the Aquino government came into power.

The government's involvement in the dollar blackmarket has a ring of pragmatism to it, but it runs smack against the Aquino government pronouncement that the "rules of the business game will be applied to all."

A banker for instance asked: "How can the government give its blessings to a syndicate earning millions of pesos, while others have to follow the law?" Any illegal activity earns more than a legitimate business, he added.

Ongpin nevertheless has proven that the government could dictate the peso-dollar rates in the blackmarket. The big difference between bank and black-market rates (which went up to P10 per dollar at one time) was the main reason

for dollar speculation. A huge chunk of the country's dollar earnings therefore went into the illegal market.

But what Ongpin did was to control only the rates. The dollars in the black-market continued to go to illegal uses, such as smuggling and investments abroad.

The market operated this way: Members of the syndicate bought dollar bills there, shipped them abroad with an arrest-free assurance from the government, and sold telegraphic transfers of the dollars deposited abroad.

Only during the height of the foreign exchange crisis--when the government in October 1983 declared a standstill on the country's foreign debt payments--did blackmarket dollars service the legitimate needs of business.

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CSO: 4200/907

PHILIPPINES

BUTZ AQUINO DISCUSSES, CRITICIZES GOVERNMENT

Quezon City WE FORUM in English 25-31 Mar 86 p 5

[Article by Girlie Hubilla: "Yes, Butz Says He Would March Against Cory"]

[Text]

He does not promise to do it ahead of his peers but Agapito "Butz" Aquino, outspoken brother of the late senator Benigno Aquino, Jr. said it should not surprise people if he one of these days leads a protest against President Cory Aquino, his sister-in-law.

Butz, who as head of the August Twenty-One Movement (ATOM) led protest marches against the Marcos government following the assassination of his brother in 1983, however, clarified that he would raise his fists against the present government only if necessary.

"I would march to Malacanang with the people to air grievances against the unfavorable policies of the government," Aquino vowed in an interview with WE Forum in his Makati office last week.

Right now, though, he feels Mrs. Aquino's government is right on course. He said the initial decision made by President Aquino, like the formation of the Commission on Good Government and the Commission on Human Rights are very sound. He, however, manifested disagreement over some 15 per cent of the members of the cabinet now working with Mrs. Aquino. He refused to give the names of the cabinet men whom he believes have no place in the government.

Butz Aquino, 46, thinks the establishment of a revolutionary government is proper as the "present administration needs to start anew."

Butz also informed WE Forum he has no political plans at the moment, but readily admitted he might run for a local office later.

"I'm happy about serving the president as errand boy," he quipped. "I am prepared to serve the government in any capacity that she asks me to but I don't have to be appointed to any particular position."

He denied having had any influence on the president's decisions. "This is the role of her cabinet, not mine," he said.

But how close is he to President Aquino?

"We see each other at least once a week," he explained, "mostly during family gatherings. We would have little chat on present issues and other things under the sun. Although I don't make appointments to see her, there would always be an occasion when I would be there and she would be there, too."

Actually, Butz doesn't believe the election of Mrs. Aquino has changed or will change his life.

He said he still hopes to act on stage and is already happy managing a small fiberglass manufacturing outfit which he owns.

"I will continue acting for movies and stage plays. I will continue working as a manager for my company. I will continue serving my family. I must say it is just like being back to a normal lifestyle," he explained.

As an actor he had appeared in almost 24 movies, playing roles ranging from lover to father, from police officer to the most notorious underground character. He always prides himself as a thespian as, he

confided, it is in this activity that he experienced one of his triumphs in life. In one opera, his daughter, who watched him do the sad scene, cried in her seat. "I finally got her," he said and broke into a good laugh.

Recently, he had become the 'Ambassador to the Airport' or 'tagahatid at tagasunido' of some foreign dignitaries making a visit to the country. Last week, he was asked to deal with mobs seeking entrance into Malacanang.

Butz would rather accomplish some errands for the president in any way that he can without any official designation. He was rumored being groomed as Minister of Labor but he stressed he shares the same sentiments with the president that no Aquino will ever be appointed to occupy important position in the government. "If I were in her shoes, I would do the same and if I have to allow any member of my family to serve the people, he should seek their judgement and he must run and win without my help."

Having travelled on the most remote areas of the country especially the south, the tall and robust presidential brother-in-law claims to have knowledge of how the Mindanao problems can be solved. He said he knows a lot of Muslims and leaders of New People's Army (NPA) who are willing to surrender and work with the government if given proper guarantees of the program of government.

Before the presidential election, he was thought by many people as one who would

be the cause of Mrs. Aquino's downfall. There came reports from the Marcos camp about Butz's alleged involvement with Nur Misuari, leader of the National Moro Liberation Front (MNLF), and their alleged connivance to separate Mindanao from the whole archipelago. He was also rumored to be jealous of Mrs. Aquino because of the latter's instant popularity and growing support which ultimately pushed her to run for president. He was, for some time, considered as a good contender for presidency against any KBL candidate.

"It is very clear that when I was considered to run for the presidency, I was flattered. I was happy to be considered but I never had any ambition to run. First, because it would be very difficult to unite the opposition and I thought that Mrs. Aquino was the only uniting factor," he explained.

He said that, right now, he is interested in organizing a labor group so they will have a bigger voice in society. He also intends to help put up rural development projects to assist farmers and peasants.

On the possible reopening of the Aquino-Galman case, he said: "It seems it is not enough to reopen the case just to get justice. I do not intend to run after the killers. What we want right now is to know the truth. I think the world would like to find out the truth so it is more on the search for truth rather than the search for justice."

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CSO: 4200/911

PHILIPPINES

KH STATEMENT CONDEMNS MISUSE OF 'PEOPLE'S POWER'

Quezon City WE FORUM in English 25-31 Mar 86 p 14

[Text] Recently, "people's power" has been prostituted by a number of people to serve their self-interests.

Opportunist KBL members who are desperately clinging to their positions are forming their own groups of people which they misleadingly term as "people's power" in order to show that they still "enjoy" the "support" of their constituents.

Meanwhile, General Fidel Ramos also issued a statement to the effect that he is going to use "people's power" to counter the "insurgents."

Clearly, these people have a false perception of people's power. They define this power apart from the Filipino people.

Who, then consist people's power?

People's power emanates from farmers who, because of usurious land rent, oppressive land reform program and decrees which rob them of their right to own the land they till, and the intensified militarization have learned to fight the tyrannical rule of Marcos. The workers who continuously struggle against exploitation by the US-Marcos dictatorship are also part of the people's power, as well as the youth, the middle-class professionals who consistently stood against the fascist dictatorship, and a great number of whom even took up arms and sacrificed their lives to counter the violence institutionalized by the regime, and to advance the majority of the Filipinos' just and democratic interests.



General Ramos is mistaken in assuming that he can use people's power against the people whom he brands as "insurgents" (the same way the Marcos regime called the people who opposed his oppressive rule). To say that people's power is to be used to fight the "subversive elements" is tantamount to saying that he will employ it against the interests of the people. These "subversives" whom he perceives as the enemies of the state are the farmers, workers, youth, middle-class professionals and other Filipinos who have been oppressed and exploited by the deposed fascist dictatorship of Marcos of which the military was once a part.

How did people's power come into being?

People's power was the result of the 20-year struggle of the Filipinos against the US-Marcos dictatorship. The four-day rebellion which saw the downfall of the Marcos regime by people's power was only the culmination of the long process of awakening and politicization that the Filipino people have undergone.

Amidst the oppression and suffering during the US-Marcos dictatorship, people's power was born. It was nurtured by the Filipinos' courage and readiness to sacrifice. Under martial law, the fascist dictator attempted to thwart the growth

of people's power but it steadily gained strength and militance until it finally smashed the regime on Feb. 22-26.

Under the new leadership, what then is genuine people's power?

Genuine people's power now means power to the people: the power that will enable them to participate in government activities; the power to criticize those in authority and remove the corrupt from office; the power to stop undemocratic moves by any of the branches of the government; the power to direct their own future. The people's power more than ever is the people's arm in advancing their democratic interests from any power that interferes with or runs counter to the popular will.

The people, though, must realize that there is still a great task at hand, that is, to further organize the still spontaneous people's power and to consolidate this power from the local to the national level.

Only by doing so will we be able to frustrate those who aim to hide their opportunist and fascist characters under the guise of people's power.

Therefore, no one must attempt to take advantage of the people's power because it is capable of crushing the true enemies of democracy, as it did the Marcos regime.

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CSO: 4200/911

PHILIPPINES

UNITY OF MILITARY REFORMERS FACES TEST

HK101435 Quezon City BUSINESS DAY in English 8 Apr 86 pp 5, 7

[Article by Marites Danguilan-Vitug]

[Text] The reform movement in the Armed Forces, no longer faced with common enemies--deposed President Marcos and General Fabian Ver--is coping with rising differences within its ranks.

The unity in organization and spirit that kept the movement members going during the Marcos years is now being put to a test. A few members talk of "factions"--not in the sense of fighting each other but referring to a difference in bias--while others downplay or deny it.

"There are no factions. There are only irresponsible members," said a junior officer. "But their irresponsible statements may lead to factionalism."

A senior officer holding a key post at the defense ministry confirmed the presence of "factions" but only because "we forgot to involve other members, the PC (Philippine Constabulary), in activities... We were busy with the reorganization of the MND (Ministry of National Defense). But we are trying to remedy this by holding meetings."

Another key officer at the defense ministry looks at this as a "minor problem." The "factions" are perceived to be the "MND group" and the "PC group." The former refers to the Ministry of National Defense-based reformists, those identified with Minister Juan Ponce Enrile, mostly senior officers; the latter consists of Philippine Constabulary reformists, a few associated with the Chief of Staff Gen Fidel Ramos, but mostly independent junior officers.

The sources of differences are organizational in nature, and in terms of perspective. Some junior officers see the development of a power clique in the movement composed of senior officers belonging to the "MND group." They share the sentiment that the movement, post rebellion, has been treated like a "private property" by this group. They cite lack of consultation with other reformists in the Steering Committee on statements made and actions taken.

A transformation appears to have also taken place in the temper of the senior and junior officers in the movement. During the reformists' campaign for clean elections last November, Navy Capt Rex Robles said two tendencies were apparent: The older officers were "laid back" while the younger ones were "confrontational."

Many of the junior officers then wanted to push through with prayer rallies even in military camps which did not give them permission. It was this same group, together with a few senior officers, that also pushed for the release of a statement, after the elections, supporting the Catholic Bishops Conference of the Philippines (CBCP) in its indictment of the polls. Robles then disowned the statement, the strongest so far from the movement, saying it came from a "breakaway group."

The reverse seems to be true now: The older officers are perceived as "confrontational" and the younger ones as "laid back." Some senior officers have taken a combative stance against certain personalities in government, the creation of the Human Rights Commission, and even warned of radicals infiltrating the Cabinet.

There is also a feeling among officers close to Enrile that some Cabinet officials are pressuring President Corazon C. Aquino to ease out the minister of national defense. One indication, an officer said, is the failure of President Aquino to consult with the defense minister on security issues in her first 35 days in office to include the release of political prisoners, the declaration of a revolutionary government, and formation of a Human Rights Commission.

"The president found time to talk to the minister after she made these important decisions... It had to take a newspaper headline for her to talk to us," the officer said.

A week ago, a reformist issued a statement warning President Aquino of radicals in her government. It made newspaper headlines Monday last week, the same day the president and some Cabinet officials met with reformists from the Defense Ministry.

Days after, Col Hernani Figueroa, also met with the MND and reform movement, was quoted by MALAYA as saying he will "lynch" Cabinet officials Joker Arroyo and Rene Saguisag, reflecting a general feeling of distrust of the two human rights lawyers by the "MND group."

Lt Diosdado Valeroso, the newly designated RAM (Reform the Armed Forces) spokesman, reacted: "The RAM does not condone irresponsible pronouncements and displays of arrogance that tend to be divisive and may cast doubt upon its noble objectives."

Lt Greg Catapang, Steering Committee member, said the government should investigate reported harassments of Cabinet members: "This alienates us from the people. It is an insult to Cabinet members."

What is taking shape is a battle for influence over President Aquino by the "MND group" which is seen as threatened by the Human Rights Commission. This has apparently caused apprehension among civilian observers as well as younger officers who perceive them as possibly using the movement as "political ammunition."

Said a junior officer: "Before society was united against Marcos. Now, without him, the divisions are showing, each pushing for parochial interests...a power struggle."

"If we will be used as a political tool, then we have a bleak future," another junior officer told BUSINESS DAY.

Monday night last week (March 31), after Aquino's meeting with some reformists, rumors of a military coup spread fast. One senior officer at the MND said it was "outrageous." Navy Capt Felix Turingan, also assigned to the MND, laughed off the rumor.

A junior officer explained, "There are no indications yet of a coup but there is this hangover, a feeling of victory, an overwhelming feeling of success..." Observers thus have gotten the impression that some officers close to Enrile are out for a power grab.

The popularly supported military revolt which helped install President Aquino has set a mark in the history and tradition of the AFP [Armed Forces of the Philippines]. Some officers admit they saw their capability to "intervene" in the political process. Outside the military, some feared this may lead to a tradition wherein the AFP may take power but no longer surrender it to a civilian government.

Through all these, the younger officers have kept their distance. They are more interested in strengthening the reform movement and pushing for military reforms. The official spokesman of the movement, Lt Diosdado Valeroso, said they would like to see the movement's ideals institutionalized in the Armed Forces.

In the meeting of the Steering Committee April 3, presided by Col Eugenio Ocampo, chairman, they decided to create various camp chapters within Metro Manila, elect new members into the Steering Committee, campaign for active participation of the reserve officers and integrees in uniting the AFP, strengthen regional counterparts, and work for the improvement of some AFP units such as the medical center, the Retirement and Separation Benefit System (RSBS), the AFP Savings and Loans Association Inc. and the Mutual Benefit Association, Inc. (MBAI).

"...RAM (Reform the Armed Forces Movement) must help pursue the much needed military reforms. With the new administration, RAM believes reforms can now be implemented," the RAM spokesman said.

The reform movement, in the days of Marcos, did plan a coup d'etat. The moment the movement was formally organized in 1985, some members said, they knew they were up for "violent action."

But as early as 1982, when some senior officers, particularly from the Philippine Military Academy [PMA] Class of 1971 would meet, they would consider the option of a coup in their frustration over the Marcos regime.

It was not until last year that the plan crystalized. Faced with a dictator who refused to step down, a chief of staff who used the military as directed--to perpetuate the Marcoses in power--the reformists prepared for a coup.

Sources in the military said the reformists formed a "secret" or "underground" movement parallel to the RAM during the middle of 1985. It was this group which laid the groundwork for the military coup while RAM was the "legal group" pushing for reforms in the open and deflecting attention from the "secret" reform group.

Most of the organizers of the "secret movement" belonged to PMA Class 1971. They planned to attack Malacanang dawn of Feb. 23, Sunday, capture Marcos and force him to give up the presidency--if he resists, to eliminate him--after which the reformists would seize power and turn it over to a civilian-military junta or a national reconciliation council. The junta was confirmed by a ranking government official.

President Aquino would have been one of the council members; others were Enrile, Ramos, Rafael Salas of the United Nations Fund for Population Activities (UNFPA) and Gen Rafael Ileta, now deputy defense minister.

Lt Col Eduardo Kapunan, intelligence officer of Minister Enrile, also admitted in an interview with the Christian Science Monitor their plans for a coup (Feb. 1986).

However, this leaked and Malacanang got wind of it, thus the move to have them arrested Saturday, Feb. 22. Enrile also said in an interview Marcos planned to declare martial law Friday or Saturday, Feb. 21 or 22 but "he changed his mind."

The reformists moved ahead and held fort in Camp Aguinaldo Feb. 22, Saturday, in what they described as a "preemptive action." Lt Col Marcelino Malajacan, who was "captured" by the loyalist forces, made a statement on television during the rebellion saying they planned to attack the palace but only to talk to the president. This was substantially true, a reformist pointed out: Malacanang was part of the "secret movement," an AFP source said.

There were other plans considered such as the "liberation" of military camps in select areas in the countryside after which they would proceed to the city, and mass resignations. But all these were dismissed because they would have less impact than a military coup.

But the knowledge of a planned and aborted coup, now taken within the context of a confrontational stance of a group of officers in the RAM, is causing apprehension in and out of the AFP.

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CSO: 4200/907



PHILIPPINES

SURVEY CHARTS HUNGER IN MANILA

Quezon City ANG PAHAYAGANG MALAYA in English 17 Mar 86 p 3

[Text] Nutritional health of Metro Manilans worsened during the past two years because of the ongoing national economic crisis.

Hardest hit were low-income residents, specially children, who make up majority of the city area's estimated 7.2 million population as of end-1985.

Reporting the finding is the Food and Nutrition Research Institute which conducted nutrition surveys in the first quarters of 1984 and 1985.

Survey results were completed by FNRI by mid-1985 but reporting of findings to the public was understandably withheld because it would greatly embarrass the then Marcos regime.

The deposed Marcos government is held accountable, among various problems now affecting the nation, for unleashing the economic crisis on the people through what is now described as its "criminal mismanagement."

FNRI was prompted by the findings to suggest that "policy-makers, planners and program implementors from various disciplines should come together in a forum, as soon as possible, for a thorough discussion of the implications. Such a forum could certainly draw the best possible solutions and programs that will avert further deterioration of our urban nutrition amidst present economic constraints."

Results of the 1984 survey were compared with that of 1985 and the top findings were the following:

- Decline in amount and kinds of foods consumed with corresponding decreases in nutrient intake with households in the depressed areas most affected.

- An increase in prevalence of wasting and stunting among pre-school age children as a result of nutrition-less daily diets.

- Households with jobless heads and those employed as common or unskilled labor face the greatest nutritional risks compared to other occupation groups.

The FNRI researchers explained that seriously eroded purchasing power, one of the most pernicious results of the economic crisis, forced Metro Manilans to cut down on household food consumption.

Effect of the economic crisis on average monthly food expenditure of all Metro Manila households is demonstrated by the amount seriously slipping from the 1982 level in real terms, the researchers said.

The average amount in 1982 was P738.58 and it dropped to P715.60 by 1984. The researchers said such an expenditure increased slightly to P747.30 in 1985.

However, they stressed that the average masked the fact that there are thousands of households in Metro Manila whose heads are either unemployed or earning income well below that of the poverty line to graphically demonstrate the near-starvation stalking members of such homes.

The surveys also found that one-third of Metro Manila households have heads engaged in semi-skilled occupations like craftsmen, production workers and laborers. Ranking next were those headed by professionals, the technically skilled and entrepreneurs. Household heads who work in the transport and communications sector made up the last batch.

This particular part of the survey found that number of

household heads with "no occupation" on the city-wide basis more than double between 1984 and 1985, or from 5 per cent to 11.6 per cent, the researchers said.

In the depressed areas, proportion of households with jobless heads rose to 18.9 per cent from the previous 11.7 per cent, they added.

Another illustration to deteriorating nutritional status of Metro Manilans due to hardship inflicted by economic crisis is the rise in percentage of city children, aged six years old and below, suffering from malnourishment (both wasted and stunted).

The researchers said the 2.8 per cent level of child malnutrition in the city last 1982 climbed to 3.3 per cent in 1984 and further to 3.9 per cent in 1985.

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CSO: 4200/898

PHILIPPINES

RADICAL PRIEST DISCUSSES LIBERATION THEOLOGY, POLITICS

Quezon City WE FORUM in English 25-31 Mar 86 pp 7, 13, 15

["Summary" by Nora O. Gamolo of Father Edicio de la Torre speech, delivered 20 Mar 86 at the Asian Institute of Management]

[Text]

Fr. Edicio de la Torre thinks that he has not fully adopted the values of the security-conscious revolutionary movement - he was caught twice by the forces of the deposed Marcos regime. Nonetheless, he proved that there can be peaceful and even functional co-existence between theistic priests and atheistic communists and their followers.

He has not lost his priestly passions, even in his 15 years or more involvement with the Left and his two-time detention under Marcos. That was very evident in the talk which he delivered before a crowd of businessmen and people whom the Left generally, but not pejoratively call "bourgeois" in the Asian Institute of Management last March 20. It was a fitting Dialing with the Left, with Fr. de la Torre talking about Revolutionary Christianity and the Snap Revolution.

WE FORUM's Nora O. Gamolo summarizes his views:

On his brand of priesthood: I

am still a priest, by law and in reality. I consider myself a priest. When I was released in 1980, I was sent to Rome. I had a long and friendly, but very difficult debate with my religious superiors in Rome. They started by accusing me of not being involved anymore with something Christian, but something thoroughly Marxist, meaning communist, and that's the Devil in Rome. But after three hours of lengthy discussion, they considered that what I was doing was Christian. But they said that I belong to a religious congregation and that "if we allow you to do these things with official support, our activities in the Philippines might be put under jeopardy."

Since I was newly-released from prison, they did not have the heart to tell me to go on leave, so I volunteered. I am on leave now - that does not make me expelled from the clergy or priesthood. What I do and say

now is my own personal belief said and done in my own time, with my own risks. The Society of Divine Word, to which I belong, is not responsible in any way for the things I do or say.

On Christianity and Marxism: As a priest, I do not reconcile Christianity and Marxism. I only let them come together in a united front. Classical Marxism, theoretically, does not believe in the existence of God. Let us not try to baptize Marxists against their will. It is not a question of believing in God, but whether we are both opposed to fascism and imperialism.

There are nuns who stopped the tanks because they believe that God is on the side of democracy. Agnostics are non-believers but they are united with the believers in opposing a dictator. Is it simply politics, is there no dialog theoretically? I think there is.

Marxist interpretation says that religious beliefs tell people to accept fate which leaves poor people poor and waiting for God to do things for them. Poor people, in order to change the world, must give up this concept of God and assume responsibility for his life and people.

While the Marxist says I do not believe in God, the Christian says I do not believe in that kind of God. The God I believe in is a God who has a heart and mind to think, feel and commit Himself and is telling me, I am a Creator but you are my co-creator, I am a Redeemer, but you are my co-redeemer. Poverty is not my will but the will of people. Liberation and the building of a just and humane society is the work of people struggling together.

Belief and disbelief (in God) are not only a question of the words we speak, but of the categories of our minds and hearts, whether we are positive or negative in our (religious) experiences. It is a long and complex process. The issue of religion is not purely intellectual.

How do you resolve the question of religion? You resolve it dialectically. You discover areas of commonality without denying areas of differences. You ask yourself: are the differences principal or secondary, at what situation and at what time? That is the only way to approach this question, otherwise you fall into easy debate where one affirms his (religious) faith, the other affirms his (secular) beliefs.

On the February snap revolution: We have a premature baby. The baby has a very nice head (that's Cory). Together with that head is a body called people's power. Unfortunately, it is a very strange body. First of all, this baby has a very long and big right arm, the New Armed Forces of the Philippines. I doubt if this arm came out together with the baby - I think it is a transplant from the old body.

For me, the problem is that this baby is born without a Left arm. By left arm, I mean anyone considered left of center, explicitly identified with something beyond the more centrist ideal, like popular democracy, partly nationalism, partly social democracy, partly national democracy or whatever sort. We can debate on it and not just on one tendency.

If you are religious, you'd say it is the work of the Holy Spirit. If you are secular, it is the Central Intelligence Agency (CIA). I am not being irreverent, but this whole thing was planned somewhere. We are playing roles we are not aware of by an all-powerful, all-mysterious force (but) I do not quite buy that line. The other force is synergy, meaning the total explosion is bigger than the whole sum of conscious parts. All had their plans and all had their scripts but things came together and produced something greater than what one was hoping or expecting for. That I would consider the more appropriate framework for seeing the US role. There must be some US role but do not ask me what it is. I think that what is more important is to remember that this baby needs a lot of aid to grow.

I am quite worried about this rich uncle of the baby overseas, who is telling the parents that he will give them \$1 billion in aid, a mini-Marshall Plan on certain conditions. There are strings you can live with and pull both ways. There are those which do not give you room to maneuver. The baby's rich uncle may promise aid so long as the baby does not grow a left arm, and this rich uncle may not just whisper to the head but to the right arm, which has an ear as well.

On the Left and its disenfranchisement: *Unig ng mangap ang mangap*. What is happening in Manila is an equivalent of what I call market politics. Those in the Left, for a long while, developed planned politics. You organize slowly under martial law, recruit, push a little like Balweg in the Cordilleras making tactical plans for three months, organize, spread and consolidate and build a unit here. There was no spontaneity and competition. The only politics that make things happen is planned politics. But there was spontaneity, at least in Manila. We need the virtues of the market: flexibility, a certain "gun ng dating."

I felt an excommunication of the Left when I came out of prison, but not as sad and tragic as what I felt was the initial self-excommunication by some from the Left who said: Whose child is that? It is not ours. Ours is supposed to come only in 1995. Not recognizing themselves, they could not rejoice. That was unfortunate because I do believe, and I would like to assert that whatever you think the birth and growth of that baby is partly attributable to the work of what you broadly call the Left.

We should not begrudge (the claimants), whether they come from detention or exile or from the underground or Camp Aguinaldo. This baby is a product of many parents, many of whom would not consider each other lovingly and quarrel a lot. It came into being prematurely because there were many parents than we thought possible.

We should be able to live together with a greater variety of democratic colors, even though we have certain preferences.

That is the image and challenge of popular democracy, a pluralism of political thoughts and organizations, not only of parties but of people's organizations united in the struggle to preserve and expand the democratic space we have so painfully won from a narrow, constricting political order.

Most of us in the Left have to overcome the temptation to be rigid and static, who say that Cory is a landlord and therefore, there won't be any land reform. The head is always open to change and new ideas. Definitely, she is opposed to fascism. Cory is better than Aguinaldo who got disoriented when the Americans came.

We Filipinos take our politics seriously. Let us avoid hating each other too much. I have a slogan for those who want to be revolutionaries: A mature revolutionary is never offensive except deliberately. Many of us

have hurt people without intending to. That is a lesson of growth, or being infants with no sensitivities. Let us be aware that alliance and united front tactics are always anchored on two aspects: a positive one of shared goals, dreams and experiences and, on the other hand, shared fears, anger and hatred.

On Fr. Conrado Balweg and the New People's Army: Fr. Balweg is a powerful symbol of the L.A. fusing religious commitment, minorities' struggle and the whole question of total and dedicated service to the people, even if it includes the possibility of killing and dying. It will be difficult to say the right things (to make him surrender) because the series of things that lead a priest, a Tinguian to go up the hills was not simply because he was about to be ambushed. But the push factor was his people saying would you like to live with us, organize and together fight and prevent Chico Dam and Cellopill? "It is a series of many steps and decisions leading to the big one. We cannot expect a responsible man like him to change so suddenly. When the democratic space extends, then people would feel the open space and the secret places (underground) would constrict not because (clandestine work) is bad, but because there is no reason for it. The relationship between legal and electoral struggle, clandestine and armed struggle is really a continuum. When one expands, the other constricts. That is the only way to talk to Fr. Balweg in the Cordilleras.

So long as (full democratization) does not happen, people should be allowed to have some skepticism. Peasant leaders are being salvaged and their organizations harassed. It is good for them to have some armed power depending on people power which was what happened in FDSA, anyway.

The agenda of the NPA is not just agrarian reform and people's power in the countryside, but a genuinely democratic body and hopefully, a more nationalistic army. It is not that the NPA wants the whole army (New AFP) to go (leave the countryside), resign or be purged, but it is finding out if the New AFP can be transformed. If it can, that would be the synthesis of the revolution. You cannot have a bourgeois-democratic government without a bourgeois-democratic army. You cannot have a bourgeois-democratic government with a fascist army.

On Enrie and Ramon and the prosecution of abusive military men: I did call Min. Enrie a born-again democrat, someone who has undergone an intense experience parallel to the Curillo, a three-day experience of tears and a review of sins. It is possible for people to change suddenly and dramatically, particularly when face-to-face with death.

I believe in forgiveness, if someone really repents, and after repentance and forgiveness, takes appropriate penance. After the February snap revolution, extreme positions were taken. Some called for reconcil-

iation and forgiveness and appealed to a value very Filipino and religious. But there was not much talk, at least, the first time, of penance. Repentance is really full and voluntary disclosure of one's fault. Forgiveness is really the privilege of the one who has been violated and is given with grace. (The violator) is expected to know the restitution he has to make to heal the wounds and repair the damage his sins have caused.

Having been imprisoned myself, I don't want to put anyone to jail. The violators can be productive and constructive participants, but they have to prove they want to be a part of the political order. I believe there can be rehabilitation of anyone with proper conditions and proper skepticism that human nature allows us.

There were some in the Reform the Armed Forces Movement who are targets of human rights critics. One told a friend that his conversion came when he had killed one too many. I think the conversion was genuine. And he helped put down a dictator. But what do

you do with the families of those he has salvaged? It is a painful process. All I can say is I cannot forgive him for them, but perhaps, I can arrange a meeting between this reformist and the family which had been violated. I will pray that the family will find it in their hearts to forgive him who has made some restitution by removing one of the root of militarization.

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CSO: 4200/911



PHILIPPINES

CEBU CPP OPPOSES ARMS SURRENDER

Cebu City VISAYAN HERALD in English 11 Mar 86 p 2

["Unsigned Press Statement of Communist Party Not To Surrender Arms" from the Communist Party of the Philippines (CPP)-Cebu Provincial Executive Committee]

[Text]

The ultra-rightist fascist elements who are former Marcos loyal men, now entrenched in power, remained reactionaries and rabid counter-revolutionaries.

While Pres. Cory Aquino recognizes the legitimacy of freedom and democracy espoused by the revolutionary forces and is opening all possible venues for a dialogue, these fascist gangsters stubbornly cling to their fascist formula of counter-insurgency campaign.

From all indications, the leadership of the "New AFP" continues to view the revolutionary movement with the same fascist framework that marked the Marcos AFP. Apparently, in all aspects, the so-called "New AFP" is the same fascist AFP of the overthrown Marcos tyrannical regime.

Although praiseworthy, the move of the two AFP top brass in siding with the people on the last days of the reactionary Marcos regime still has to be given flesh and blood by purging the "New AFP" of undesirable elements and meting out just punishment to those who have blood debts and criminal records against the people during the 20-year rule of the fascist US-Marcos gangsters. These must be effected from the top leadership down to the rank and file of the "New Armed Forces of the Philippines".

The "New AFP" leadership's call to intensify counter-insurgency operations clearly unmask their fascist color and anti-people tendencies. Their move is counter-revolutionary and is actually contrary to the promotions of the democratic welfare of the Filipino people.

All actions of the RUC 7 Commander Col. Jose Santos for counter-insurgency is destructive to the positive political moves of the Cory government for national unity and democratization. It is a reverse to the ideals of freedom and democracy which has been long-sought by the Filipino people. The intensification of the counter-insurgency operations is still an old Marcos line of smashing the armed resistance- put up by the Filipino people- to preserve the established exploitative and oppressive social order.

The RUC 7 is employing its old fascist line of slandering and maligning the name of the New People's Army (NPA) in Cebu by making Gilbert Cudias NPA commander. Cudias is a military man and an R-2 operative under the command of RUC 7. His mission was to form an armed group in the mountain barangays of Catmon, posed themselves as NPA's, extorted money and terrorized the people. His overall task was to destroy the prestige of the NPA in the eyes of the people. Col. Santos knows this very well.

On the issue of surrender and laying down of arms, we have already learned our lesson from the treachery of the reactionary armed forces in the mid '40s. During the Second World War, in the anti-Japanese resistance movement, the Red fighters of the Hukbong Bayan Laban sa mga Hapon (HUKBALAHAP) particularly the Squadron 77 was massacred in Malolos, Bulacan while on its way from Manila after having been disarmed by the Philippine Constabulary soldiers and U.S. imperialist troops. And in 1948, the surrender negotiations with the Quirino administration turned out to be hoax. All Party cadres and Red fighters exposed to the troops and secret agents of the Philippine Constabulary were attacked.

We cannot surrender our arms, even during an arranged truce. We have already sacrificed too much for 17 years in waging armed struggle against the US-Marcos dictatorship and in advancing the people's war to victory. Only our arms could protect the gains we achieved in waging revolution for the welfare of the Filipino people.

If the "New AFP" persist in their counter-insurgency operations, we will also continue to launch our counter-attacks on selective targets. First, on the remnants of the fascist Marcos' loyalist inside and outside the AFP organization. Second, on those who have incurred blood debts against the people and persist on harming the interest of the people. And third, on those who persist in attacking us through their counter-insurgency campaign.

MANUNTI ANG KATAMNANG FILIPINO!!!

Executive Committee

CPP- Cebu

March 7, 1986

/9317  
CSO: 4200/911

PHILIPPINES

MILITARY WIDENS CAMPAIGN AGAINST FIREARMS

Manila MANILA BULLETIN in English 15 Mar 86 p 8

[Text]

There are about one million loose firearms in the hands of unauthorized individuals nationwide, defense and military sources said yesterday.

The sources said this does not include high-powered firearms and assault weapons taken out from various stockpiles and armories of the Armed Forces and issued to select individuals and "warlords" before the Feb. 7 elections.

In a related development, several teams were dispatched by Brig. Gen. Ramon E. Montano, head of the Capital Region Command, to various places in Metro Manila and neighboring provinces to resume the campaign against loose firearms.

This time, however, the campaign is accompanied by "forceful and

coercive measures" after the one week deadline for the peaceful surrender of the guns expired Thursday.

Meanwhile, Brig. Gen. Renato de Villa, PC-INP chief, reported that 11 more M-16 Armalite rifles were recovered in Tarlac, bringing to 865 the number of firearms taken from followers of former Ambassador Eduardo Cojuangco.

Also confiscated were 496 pieces of magazines (long) for M-16 rifles; 1,115 pieces of magazines (short) also for M-16 Armalites; and 29,899 rounds of ammunition for Armalite rifles.

In Davao del Sur, PC elements recovered from Cocoa Investors Inc., a Cojuangco-run firm, 100 firearms consisting of 74 M-16 Armalite rifles; 18 M-14 rifles; four car-

bines, four shotguns, one .45 caliber machine pistol; one baby Armalite; three .22 caliber revolvers; and one Boretta pistol.

In addition, the raiders also seized assorted ammunition, according to a report received by de Villa.

In Rizal, another Constabulary team recovered two Mercedes Benzes reportedly owned by Commodore Alfredo Romualdez, brother of Mrs. Imelda Marcos, in Cainta town.

The cars were found by the raiders in the house of Mrs. Ines Limveda de Roco at the Villa Rico Subdivision. The raiders were armed with a search warrant issued by the Antipolo Regional Trial Court.

Mrs. Roco also surrendered one handgun which, she said, is owned by her son Arthur who is now out of the country.

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CSO: 4200/911

PHILIPPINES

PHILIPPINE INQUIRER CLAIMS IMELDA, VER MASTERMINDED AQUINO MURDER

HK110835 Manila PHILIPPINE DAILY INQUIRER in English 5 Apr 86 pp 1, 3

[Text] Former First Lady Imelda Marcos and Gen. Fabian C. Ver masterminded the assassination of former Sen. Benigno S. Aquino Jr. but deposed President Marcos was kept in the dark about the plot, informed sources revealed yesterday, citing "pertinent documents" found in the possession of the former chief of staff's aides.

The sources also revealed to the INQUIRER that the complete videotapes of the Aquino assassination showed Metrocom Sgt. Rogelio Moreno as the opposition leader's assassin.

Meanwhile, UNITED PRESS INTERNATIONAL quoted Francisco Villa, a lawyer of the Agrava Fact-Finding Board that initially investigated the murder, as saying that a PC [Philippine Constabulary] major has claimed ownership of the gun used in the slaying.

Villa, UPI said, also disclosed that two eyewitnesses to the murder had come forward to corroborate a testimony of Rebecca Quijano, dubbed in the case as the "crying lady," that a soldier shot Aquino on Aug. 21, 1983 moments after he stepped off a plane.

The two witnesses were employees at the Manila International Airport who saw the incident, Villa said. Quijano was a passenger on Aquino's plane.

The INQUIRER sources said the plot to assassinate Aquino was "finetuned" by three colonels in Ver's National Intelligence and Security Authority. The sources also said the documents pointed to the complicity of Brig. Gen. Luther Custodio, then chief of the Aviation Security Command which was assigned to protect Aquino on arrival; and former Metrocom Chief, Maj. Gen. Prospero Olivas.

The sources said that when Marcos learned of the assassination in Malacanang, he summoned the plotters and cursed them. Marcos and Imelda later had a violent quarrel after the latter said the killing of Aquino was "for our benefit."

The sources said Imelda reportedly told Marcos that Aquino was a "thorn in our side."

After that quarrel, Marcos was left with no recourse but to cover up for his wife's crime, the sources said.

Villa said the PC major approached former members of the Agrava Board after the Feb. 25 revolution that ousted Marcos and disclosed that he owned the 357 Magnum revolver the military claimed was used by alleged assassin Rolando Galman to kill Aquino.

Villa said the major reported that the revolver was issued to him by his unit sometime in 1978 but that a year later, it was stolen from the glove compartment of his car, UPI reported.

The major showed an official receipt for the gun when it was issued to him by his superiors and an affidavit of loss after it was stolen, Villa said.

Villa quoted the major as saying he wanted to testify before the Agrava Board but "was pressured by one of the ranking officials accused in the case to keep quiet."

Ver, Olivas and Custodio were among 25 military suspects in the slaying. One civilian, businessman Hermilo Gustilo was also linked to the case.

"Definitely, the case has to be reopened," Villa said in response to a question.

Earlier, former Sen. Jose W. Diokno, chairman of a committee formed to investigate all human rights abuses during the Marcos years, said the Aquino assassination case would be given priority.

He said the committee was in possession of new evidence.

In a related development, the Supreme Court ordered the first division of the Sandiganbayan, Tanodbayan Bernardo Fernandez, Deputy Tanodbayan Manuel Herrera and all the accused in the Aquino case to comment on a motion for reconsideration filed by 29 prominent citizens, including the family of Galman.

Meanwhile, President Aquino named Raul Gonzalez, her murdered husband's lawyer, as Tanodbayan.

Gonzalez, 54, told reporters after his appointment that he had mentioned to Ms. Aquino the possible reopening of the murder case, and "she said we will discuss it later on because she is very busy."

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CSO: 4200/907



PHILIPPINES

PHILIPPINE COUNSEL DISCOUNTS 'DOUBLE JEOPARDY' IN AQUINO CASE

HK111148 Manila MANILA BULLETIN in English 8 Apr 86 pp 1, 16

[Text] Former Deputy General Counsel Francisco Villa of the defunct Agrava Fact-Finding Board said yesterday there can be no double jeopardy in the Aquino-Galman murder case because of "evidence proving that the trial was a sham."

The Agrava Board investigated the two murder cases for almost two years. The Sandiganbayan acquitted all the 26 accused after seven months of trial.

Villa said there were already statements to the effect that deposed President Marcos had pressured the Tanodbayan and the Sandiganbayan into acquitting the 26 accused in the two murder cases.

"They (the 26 accused) never underwent the first jeopardy so they cannot claim now that if they are subjected to another trial they will be subjected to double jeopardy," Villa said.

The rule of double jeopardy means that when a person is charged with an offense and the case is terminated either by acquittal or conviction or in any other manner without the consent of the accused, the accused cannot again be charged with the same or identical offense.

The statements Villa was referring to were issued by Deputy Tanodbayan Manuel C. Herrera after the fall of the Marcos regime.

Herrera told newsmen that the prosecution (Tanodbayan) and Sandiganbayan President Justice Manuel Pamaran were summoned by Marcos in Malacanang and were told to dismiss the cases immediately after the preliminary investigation.

Herrera quoted Marcos as saying that "it could be bloody if you pursue the cases."

In a talk to members of the Justice and Court Reporters Association (JUCRA), Villa said:

"In other words, Mr Marcos told the prosecution and the Sandiganbayan that the accused should be acquitted.

"Therefore, the accused were never placed in jeopardy from the very beginning. There was no danger that the accused would be convicted. There was no jeopardy in the first place. If there is a new trial, the accused cannot be jeopardized twice."

Earlier, the Supreme Court paved the way for the possible re-trial of the Aquino-Galman murder case as it ordered the new solicitor general to comment on the second motion filed to reconsider the dismissal of the mistrial petition filed by 31 prominent citizens.

Solicitor General Sedfrey Ordonez was given 10 days to submit his comment.

Also asked to comment were the Sandiganbayan, Tanodbayan (especially Herrera), and the 26 accused but acquitted in the cases.

Villa said that what is needed to declare a mistrial is the testimony of Herrera to the effect that there was pressure exerted and that from the very start there was no danger of conviction on the part of the accused.

Meanwhile, the office of the Tanodbayan will be turned over this morning by Tanodbayan Justice Bernardo P. Fernandez to newly appointed Tanodbayan Raul Gonzales.

In an interview Gonzales said he will keep the employees, particularly those covered by the Civil Service Law.

"This is not a political turnover so we will see to it that those who are covered by the Civil Service Law will have to stay," Gonzales said.

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CSO: 4200/907

PHILIPPINES

KALINGA GROUPS SET TO STOP CLAVER APPOINTMENT

Quezon City ANG PAHAYAGANG MALAYA in English 20 Mar 86 p 14

[Article by Romy Tangbawan: "Rival Groups Gird For Kalinga Supremacy"]

[Text] Trouble is brewing anew in violence-wracked Kalinga-Apayao province as some Kalinga groups are reportedly set to stop the "impending" appointment of longtime Cordillera opposition leader lawyer William Claver as governor of the province.

Members of the Manila-based People's Institute of Kalinga Studies (PIKS) and Kalinga-Apayao Bodong Student Association (KABSA) said they will spearhead a move to block the appointment of anyone who is not a Kalinga native.

Candido Babasan, PIKS executive director told *Malaya* there is a consensus among Kalinga tribal leaders, professionals and students to support Carlos Bagtang for the governorship.

In a position paper furnished *Malaya*, PIKS and KABSA said they are tired of being "dictated upon by non-Kalingas or non-Inegas."

Inegas are natives of Apayao subprovince.

They said they need a genuine Kalinga leader who can understand their aspirations.

"Our culture is complex and it should not be taken for granted," they said.

They expressed fears that once Claver - who comes from the Mt. Province, therefore not a Kalinga native - comes to power, the "Igorots will take away the little political clout

left us and control everything."

Claver's supporters contend that he has no intention of depriving the Kalingas of their rights.

"In fact, he has consistently sided with us at the height of the depredations of the military and political goons," a student said.

Since 1968, Kalinga politics has been dominated by Ilocanos. Outgoing Gov. Amado Almazan is an Ilocano while current Mambabatas Pambansa David Puzon, also an Ilocano, is from Cagayan province. Puzon was reportedly told to run in Kalinga-Apayao by a once-powerful KBL kingpin.

Ilocanos and Igorots control large tracts of the province's plainlands, run most of the businesses, and hold important government posts.

The Kalingas who comprise 55 per cent and Inegs, 30 per cent, of the whole population mainly occupy mountain areas.

According to a native professional who claims to be neutral, a mistake in the appointment of a new governor will again trigger senseless killings. He said many people have been killed just because of wrong persons in the government leadership.

"The Ministry of Local Governments (MLG) should look for a leader acceptable to both the natives and non-natives," he suggested.

A judge who went to Manila from a Southern Tagalog province reportedly shed tears in front of the minister, crying for his re-appointment in the judiciary.

One of the three justices at the Sandiganbayan who acquitted retired Armed Forces Chief of Staff Gen.

Fabian C. Ver, a civilian, and 24 other military men, was also seen lobbying for his retention.

The justice, quite noted for his unprecedented legal record, was quoted as saying: "It was not my fault to acquit all of them. I was just pressured to do so."

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CSO: 4200/898

PHILIPPINES

ILOCOS GOVERNOR PLEDGES COOPERATION, DENIES THREAT

Quezon City ANG PAHAYAGANG MALAYA in English 20 Mar 86 pp 1, 6

[Text] Ilocos Sur Gov. Luis "Chavit" Singson yesterday pledged to respect and cooperate with the new government even as he denied reports saying he threatened "that blood will flow in the home region of deposed President Marcos if the government of President Aquino insists in ousting government officials identified with the discredited regime."

In denying the alleged statement, Singson said he precisely spoke over the radio to appeal for calm and sobriety among the people in the wake of a big demonstration now going on in Suyu, Ilocos Sur protesting the removal of incumbent Mayor Alex Bistuyong and the appointment of a certain Mr. Parel as Bistuyong's replacement.

Parel is said to be a former driver of a former political kingpin in Ilocos Sur who worked as a taxi driver in Manila before his appointment as officer in charge.

Singson pointed out that, since the radio broadcast was taped, it could easily be determined that he never uttered the inflammatory statement attributed to him.

"Obviously, the false reports quo-

ting the controversial statement was fabricated by my political opponents who are out to discredit me in the eyes of the Aquino administration," he stressed.

Although he expressed support for the Aquino administration, Singson however is against any move to replace local officials - especially those who are identified with the previous administration - merely on the basis of their identification with the past administration regardless of their qualifications and leadership in their respective localities.

He said that local officials should only be replaced through an election which should be called at the earliest possible time.

Singson recalled that the last snap presidential election in Ilocos Sur was one of the most peaceful and honest elections in the country which can be attested to even by the Namfrel and other civic organizations in the province.

"Many local officials are holding on to their positions only because they do not like the manner by which they are being removed," Singson said.

Singson also belied reports that he is in possession of "an arsenal of assorted high-powered weapons and backed by a bunch of alleged hit men. He said he welcomes anybody to conduct a thorough search of his residence anytime.

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CSO: 4200/898



PHILIPPINES

BULLETIN VIEWS STATUS OF COJUANGCO FEUD IN TARLAC

Manila MANILA BULLETIN in English 16 Mar 86 p 8

[Article by Carlos Gatdula]

[Text]

TARLAC, Tarlac — With the assumption of Corason C. Aquino as President, has the war between the Cojuangco cousins for political supremacy in Tarlac ended?

This question has now become the subject of conversations among the leaders of the community here following the hurried departure of former Ambassador Eduardo M. Cojuangco Jr. to an undisclosed place abroad.

Before leaving with his family in a private plane, Cojuangco reportedly held a secret talks with his leaders in the province. The talks were held in Simon, Pangasinan, it was learned.

Reliable sources revealed that Cojuangco, the top KBL chieftain of Region III, refused to

leave the country but was prevailed upon by his leaders to depart.

Leaders of the local new ruling party said the ouster of President Ferdinand Marcos has sounded the death knell for Cojuangco's leadership in the province. But KBL leaders led by Gov. Federico D. Peralta countered that the political battle is not yet over, claiming that majority of the people, particularly in the province's first district, still recognize the former Ambassador as their leader and benefactor.

It was learned that the KBL leaders have set an unspecified date for a conference to discuss plans to revitalize their party.

The KBL leaders were said to have forged the

other week a united stand to oppose the local leaders of the Aquino government in the event local elections are held this year.

Doubts were expressed, however, whether the KBL leaders can maintain a strong stand against the political forces of President Aquino with the prolonged absence of their leader.

According to political observers, the physical absence of Cojuangco will expose the KBL leaders to political compromises as a condition for shifting allegiance to the new government.

Out to dismantle the political machinery of the KBL in this province is former Rep. Jose Cojuangco Jr., brother of President Aquino, it was reliably learned.

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CSO: 4200/911

PHILIPPINES

'LIQUIDATION SQUAD' OUT TO KILL COJUANGCO ASSOCIATES

HK120629 Manila THE MANILA EVENING POST in English 9 Apr 86 pp 1, 3

[Text] A liquidation squad was reportedly out to kill former political leaders formerly identified with industrialist Eduardo "Danding" Cojuangco, Jr.

Defense Minister Juan Ponce Enrile revealed this yesterday in the wake of the reported murder of former Tarlac Gov. Federico Peralta.

Peralta was stabbed dead at 2 a.m. yesterday in his residence in Barangay San Felipe, San Manuel, Tarlac.

Several men barged into the bedroom of the Peraltas, killed the former governor, and wounded his wife. Their children were spared by the killers.

Enrile said intelligence reports reaching his office indicated that former Tarlac [garble] Sawit, former Member of Parliament Mercedes Teoforo, and the five mayors of the towns of Capas, Gerona, Mayantoc, Moncada, and Paniqui, all in Tarlac, were targets of the liquidation squad.

[Garble] investigation ordered by Enrile to probe the Peralta killing were reportedly looking into the possibility that the liquidation squad was hired by political opponents of Cojuangco.

However, there were also indications that members of the New People's Army (NPA) were responsible for the killing of Peralta.

Enrile called for sobriety in the wake of the slaying of Peralta.

The defense minister said the people must not take the law into their hands and must allow the rule of law in accordance with democratic processes; otherwise, we will foster this unity and fragmentation instead of reconciliation.

Camp Crame authorities reported this morning that two suspects in the Peralta slaying had been held for questioning.

The military, however, refused to identify the two suspects.

In his appeal for sobriety, Enrile said the people "must not succumb to the attraction of vindictiveness or acts of violence because in the end, it will not help the nation, for it will benefit only some elements whose interest is to attain power to supplant our present democratic system with a foreign ideology."

PHILIPPINES

ARMED DIMAPORO FOLLOWERS PROMOTE FEAR IN UNIVERSITY

Quezon City ANG PARAYAGANG MALAYA in English 14 Mar 86 p 16

[Article by Jam Maridul]

[Text]

**ILIGAN CITY** - The Marawi-based Mindanao State University is rocked by "student revolt" as thousands of students continue to boycott classes despite an order to return to school by school officials.

About 800 students have staged a sit-down strike at the terminal of MSU-bound jeepneys in this city since March 3. A few hundred others have gone home to different provinces in Mindanao, vowing not to return unless an academic atmosphere reigns in the "terror-gripped" university.

The students' exodus began when hundreds of armed men believed to come from different Lanao del Sur municipalities entered the university last week. The men are followers of Gov. Mohamad Ali Dimaporo, acting president of MSU since 1976.

When news broke out that former President Marcos was forced to leave the country, Dimaporo, a staunch Marcos loyalist, was rumored to have vowed that he would put up a fight and never recognize the authority of the new government.

In a dialog with university constituents, Dimaporo said: "I'll fight to the last drop of my blood to protect MSU."

Several days after, the armed men left the campus and Dimaporo was reported to have turned over 23 firearms to the PC provincial commander of Lanao del Sur.

Last March 3, there was a tearful turnover ceremony in the university as Dimaporo relinquished his post as acting president, confirming the belief that his days as Mindanao's strongman is co-terminus with that of Marcos.

Col. Mangitin Magomnang, a member of the MSU board of regents, is now caretaker of the government-owned university.

Despite the withdrawal of the armed men and Dimaporo's exit, the students refused to go back to the campus, saying that they no longer feel safe. They described the situation as "chaotic".

The striking students here organized a snap group called "Movement for a Better MSU". From 8 a.m. to 4 p.m., they assembled at the picket line where they displayed streamers and placards.

The students have put forth several demands, including the appointment of a full-fledged university president who must be an academican with unquestionable integrity; the assignment of a composite team of PC-Army personnel in the campus; the investigation of murder cases committed inside the university; and mass promotion of students in this semester.

When asked to identify who among the present officials they would recommend as president, two students leaders said they prefer somebody not in any manner allied with the previous administration.

"The incoming president must be one who can offer fresh insights and new vision for the university," the two added.

One faculty member told Malaya that the presidency of MSU requires somebody who is not only respected by the academic community but also by the host community, adding that a "total revamp of the MSU is now a must".

PHILIPPINES

POLICE COLUMNIST PROFILES NAFF COLONEL, AIRPORT CHIEF

Manila MANILA BULLETIN in English 18 Mar 86 p 6

[Article by Ramon Tulfo]

[Text]

**C**OL. Gregorio "Gringo" Honasan, Defense Minister Juan Ponce Enrile's chief aide who catapulted to instant fame because of his role in the Feb. 22-26 revolution, is much more than good looks and macho mien.

Gringo, a member of Philippine Military Academy class of 1971, is described by his subordinates and fellow officers as a "fighting machine."

He is an expert in taekwondo (Korean karate), Japanese karate, *arnis* (the local martial art of stick fighting), and judo. He is well versed in handling a knife. He is quick on the draw and can place his first shot between his opponent's eyes.

Honasan, at 37 one of the youngest full-fledged colonels in the Armed Forces, runs like a horse. He

runs at least three times a week in full combat gear — with a backpack, ammunition strapped to his waist, and wearing Army boots. He has competed in several marathons.

Gringo is a daredevil. Aside from riding a motorcycle ala Steve McQueen, he also indulges in parachuting, a hobby many of his colleagues do not venture into. He once jumped from a plane carrying his three-year-old child in his arms. For this, he got a scolding from Minister Enrile.

Gringo has an odd collection of pets, among them, a seven-foot python which he once bound around his body during a parachute jump, several pieces of man-eating piranhas, and a monkey-eating eagle.

But this superman is soft-spoken, shy, and unassuming. He treats his men as an equal.

And, ladies, he's very fond of his wife.

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CSO: 4200/911

PHILIPPINES

URBAN POOR GROUP LOBBIES AQUINO FOR SQUATTING RIGHTS

Manila MANILA BULLETIN in English 17 Mar 86 p 5

[Text]

An urban poor group called Samahang Lingap sa Bayan (Salba) and claiming a membership of 10,000 will demonstrate at Malacañang tomorrow to petition President Aquino to allow them the use of foreshore lands for their temporary dwellings.

This was the same group which clashed with Philippine Ports Authority (PPA) demolition team last March 11 at Luzviminda and Bonifacio Villages, Del Pan, Parola, and Slip O in Tondo, causing the injury to several persons.

Merlan S. Domingo, Salba president, said his group will also petition for the use of the large

tract of land bounded by the Navotas Fish Port and North Bay Boulevard estimated to be about 20 hectares.

He said, the land, where 400 squatter families were evicted by the PPA demolition team last week, was previously franchised to the San Luis Warehousing Corporation for 25 years under Republic Act 4138 as amended by RA 5796. The corporation is owned and controlled by Eduardo F. Figueras, a businessman politician.

Salba officials also claimed that parts of the land is controlled by Commodore Alfredo Romualdez, the former First Lady's brother.

Figueras has pledged that if the area allocated for warehousing facilities is returned to him, he will allow the squatter families to build their houses on the site, according to Domingo.

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CSO: 4200/911



PHILIPPINES

WE FORUM PROFILES 'PROGRESSIVE' LABOR MINISTER

Quezon City WE FORUM in English 25-31 Mar 86 p 4

[Article by Sonia Dipasupil]

[Text]

If holding public office under a new administration that had suddenly been catapulted into power is a tough job, then being its labor minister is like being crucified.

It is a position both coveted and shunned. As labor minister, one can wield enough clout to keep the country's business sector eternally fawning for favors — and grateful for concessions given. On the other hand, there is also an angry, often militant, trade union movement to contend with, which is thirsting for real changes that had been denied them for at least the past 20 years.

Aside from acting referee to labor and management, there is also the economic crisis and the prescriptions imposed by our foreign creditors, which alone can douse even the best intentions. How to work within a set-up that has indeed more minuses than pluses, and still emerge unscathed from the entire exercise, requires a major feat. So why would anyone want the job at all?

"I don't even know how I got the job," offers the new labor minister, Augusto "Bobbie" Sanchez. "I understand there were some people, both from labor and management, who endorsed my appointment. When I was finally called and asked whether I was agreeable to becoming labor minister, I said 'yes,' not knowing at the time that the work would be this enormous," he explains, fingering a pile of papers apparently waiting for his signature. He signalled to a group of men seated in his office anteroom to wait until the interview was over. Several more were waiting outside his office, among them, management men sporting expensive suits and manicured nails and workers with foreheads still

glistening with sweat and shivering from the change in temperature from the outside noonday heat to the airconditioned room.

One of the more prominent faces belonged to a well-known management lawyer said to be related by marriage to a top-ranking defense official. Somebody whispered naughtily that the lawyer hardly set foot in the Ministry and used to call the former labor minister for "consultations" in hotel coffee shops. Now he's lining up just like everybody else, the informant gloated.

At the time the 53-year-old minister accepted the job, his only concern was being in a position to help many of the people he had worked with during the "critical times" when Marcos was still in power. As an opposition member of parliament in a KBL-dominated Batasan and as an active member of the human rights lawyers' group MABINI, Bobbit was at the frontline of many major protest actions. Among those with whom he linked arms were militant workers denouncing the old MOLE as an instrument of oppression and repression. These workers were in fact one of the major considerations in picking the new labor minister. It was said they refused to work with anyone other than Bobbit, and word was that they threatened to stage a nationwide general strike if anyone else was appointed.

He bristles at the suggestion that he maybe a concession or "token appointee" in a Cabinet largely perceived as "elitist". "Ang sama naman noon," he protests, asserting that his past record in human rights work and his good relations with labor "even during the time I worked for management" were the considerations that clinched the job for him.

Some people suggest, however, that his progressive outlook is little comfort for labor, pointing out the case of former Minister Blas Ople, who was regarded as a "friend of labor" early in his career and who even harbored socialist tendencies, but who was later accused of

protecting the interests of groups other than labor.

But Bobbit assures us that the conditions for making "another Ople" have already ceased to exist. "The reason I think Mr. Ople got into that kind of fix was because of the alliance between the World Bank-IMF and the Marcos government. At this time, wala na 'yon e," he insists, claiming that although these creditors may still try to impose economic conditions that may not be acceptable to the Filipinos, it is up to the government to put its foot down and set the conditions, not vice versa.

"It is the host government, not the foreign investors, that should dictate the terms of their investment. As far as I'm concerned," Bobbit stresses, "foreign investors should not be allowed to just come in, exploit our labor and rake in profits without regard to the rights and needs of the people. The most important thing is the interest of the workers, over and above those of the investors."

In his two weeks in office, Bobbit is fast developing a reputation for his no-nonsense style of dispensing labor justice. On his first day as labor minister, he immediately set up task forces to "clean up" the ministry, especially its graft-ridden agencies. He has settled 10 of some 47 strikes he inherited from his predecessor, and has asked the country's warring labor federations "to get their act together" and form a consultative/advisory body that will speak with only one voice. Bobbit even thinks local labor should be equally represented in the Geneva-based International Labor Organization (ILO), instead of the usual practice where only those endorsed by the government were given an ILO seat.

What would make organized labor even happier is the new labor minister's receptivity to reforms in the labor code. This early, he has intimated support for the restoration of the right to organize to those who were previously denied

it - government and managerial employees and security guards. He also favors scrapping perceived anti-labor laws out of the body of labor legislation. His preference for the installation of a revolutionary government is in fact borne out by his desire to institute major reforms in the labor code as soon as possible "without going through the dilatory legal intricacies."

Another good news for workers is Bobbit's opinion about military and police intervention in labor disputes. "That is out now," he promises, claiming, for example, that he has not asked for their intervention at all in serving his orders, which present labor laws provide. "We'll try to scrap this totally and provide for military and police assistance only in case of actual violation of the law, because this is their concern, anyway, whether or not there is a labor dispute involved," he said vowing, in addition, to get rid of the management practice of using hired goons or private security guards to break picket lines.

But Bobbit's pet reform appears so far to be institution of a profit-sharing scheme to benefit labor. Recalling the social justice provision of the Constitution that requires "equitable diffusion of property ownership and profits" he suggests that assuming this is retained in the new Constitution, he feels all government action towards labor should revolve around this precept.

"When you talk of benefits in the case of labor, I can only see company profits as the source of such benefits," he reveals. He believes the adoption of such a policy will work substantially towards industrial peace.

"If you have workers sharing the profits of their labor and the resources of the company, then you have a satisfied sector. This is also good for management, because you can enhance productivity with labor getting a fair share of the fruits of their efforts."

As I stepped out of the room, I saw the influential management lawyer, still waiting. Looks like the new labor minister means business.

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CSO: 4200/911

## PHILIPPINES

### LABOR LEADERS MEET SANCHEZ, AGENDA REPORTED

Quezon City WE FORUM in English 25-31 Mar 86 p 4

[Article by Jim Falar, Director of Information, Katipunang Manggagawang Pilipino: "Radical Changes in Labor Front"]

[Text]

The Philippine labor movement now has behind it some four scores and four years of struggle for workers' rights and welfare and for overall national well-being. Since its beginnings circa 1902 with Epifanio de los Reyes as its acknowledged father, and his Union de Impresores de Filipinas as the very first of Philippine unions, it has seen many sacrifices put into its cause, and reaped some gains.

The Revolution of February 1986 has, however, changed things radically. Today, Philippine labor can look forward to many more achievements both for itself and for the nation.

For itself, Philippine labor can proceed from purging of its ranks and, when racketeers, opportunists and communists shall have been cut, it can go farther ahead along the line of real commitment to workers' and the national good.

Initial meetings among some 30 labor leaders, one of them with new Labor Minister Augusto Sanchez, have crystallized the major agenda, as follows:

**The Right to Organize Must Be Secured in Fullness.** This right has been immorally restricted by government. We must now remove such restriction so that not only private establishments but also government workers, not only profit but also "non-profit" workers, not only workers but also managerial and confidential employees and security guards may rightfully form their unions for the purpose of collective bargaining. Also in connection with union representation, the procedure must be improved to facilitate organizing, ensure fair elections and prevent unduly encumbered certification of the preferred bargaining agent.

#### **Collective Bargaining Must Be Encouraged.**

In the indispensable partnership of labor and capital, collective bargaining is the best way to ensure both sides of a fair relationship and sharing of benefits as well as to clarify their responsibilities in the partnership.

Along with this, the systems of grievance handling, conciliation, mediation and voluntary arbitration as means of settling disputes must be strengthened.

The strike as a weapon of last resort for workers harboring reasonable grievances must be better dealt with by government and employers. Workers of course must themselves accept the responsibility of seeing to it that this democratic weapon is not used indiscriminately, rashly and unreasonably.

**Adequate, Decent and Secure Employment Is a Must.** Labor must actively support programs to generate jobs and fight in favor of labor-intensive ventures over those that are capital-intensive. Security of employment must be given all workers after satisfactory probation. Employers must provide their workers with a humane working environment. Government must ensure that this be so.

Wages must be aligned with prices of commodities. Capital must be made to come up with viable profit-sharing schemes.

Workers themselves must contribute zealously to improved productivity and to the national wealth by efficient and competent labor and cooperation with government programs to increase savings and revenues.

**The Social Services Program Must Be Expanded.** Government must expand the types of social services to cover housing, amenities, health care and hospitalization and education of workers and their dependents. These must be available in terms and by procedures that are easy on the workers.

**Tripartism Must be Preserved and Pursued in Earnest.** The principle of tripartism affords labor a good chance to stand on equal footing with government and the employer sector. It is a principle advocated by the International Labor Organization to whose Conventions the Philippines is a signatory. In the ILO itself, the Philippine representatives of government and the employer sector sit with those of labor.

But today the tripartite bodies must no longer be under the control of government. Nor can labor allow itself to be further shortchanged by inutile representation. Labor must be represented in the tripartite councils by competent and committed men. To emphasize this point, they must be qualified not by being officials of the unions but by their competence and commitment (integrity, honesty, loyalty to the workers). It should not matter that they may not come from the top echelons of the unions. The hierarchy does not invariably yield the men we are looking for.

There are many things more for labor to do. The unions need a lot of house-cleaning. Corrupt labor leaders must be shown the exit. Workers

must have credible leaders.

Workers' organizations, whether unions or of some other types, must truly be democratic in structure, systems and ideals.

As to the communist influence, let it be totally rejected and let no workers' organization any longer allow itself to be a communist front.

We must be serious about this for the chaos that communism wants to take place to facilitate its installation in lieu of democracy cannot jibe with the social order we need. If government, capital and labor must all be well and alive.

Finally, let it be clear that on the side where KMP is, there also must be a cleanup. If this means leaving the undestrate ones out in the cold, so be it. If the obstinate have control by their sheer numbers, let the few good leaders leave them. Surely, these few good leaders will have the larger bulk of followers.

As already mentioned earlier, Philippine labor must begin to seize the golden hour by its own revolution of the soul. The democratic but corrupt and lacking in commitment to the workers as well as the masquerading communist scheming to use unionism as a vehicle to chaos must both be rejected.

Only after such a labor revolution, powered I would imagine by the masses of ordinary workers if led only by a few real labor leaders, can Philippine labor move forward and attain so many gains long overdue the workers and help as well towards national greatness.

PHILIPPINES

BUSINESS GROUP WARNS AGAINST FOREIGN OWNERSHIP OF ASSETS

HK100750 Manila PHILIPPINE DAILY INQUIRER in English 4 Apr 86 p 12

[Text] A national business organization cautioned yesterday the Aquino government about implementing a privatization policy which will lead to increased foreign ownership of local assets and resources.

The National Economic Protectionism Association [NEPA] said that the Filipino people did not risk their lives in the February revolution to enable foreign transnationals to buy government corporations at bargain prices.

The NEPA issued the warning in the light of reports that PNOC, the government owned oil company, will be sold to foreign investors. Government-owned banks, such as Combank, Interbank and Union Bank, have also been targeted for takeover by foreign banking interests.

American Express is reportedly set to finalize its buy-out of government equity in Inter-bank.

The NEPA also said that if reports are true that Australian media magnate Rupert Murdoch will take over an ailing "crony" newspaper, the Aquino government must come out with an unequivocal pronouncement prohibiting foreign ownership of local media facilities.

The NEPA said that Finance Minister Ongpin's open arms policy for foreign investments should be changed. According to NEPA, a sound policy on foreign investment should contain the following safeguards:

1. Foreign investments should not be allowed in areas adequately served by Filipinos.
2. Foreign investment should not be allowed in agriculture and the exploitation of natural resources.
3. Foreign investment must not be allowed in the strategic areas of the country such as education, communication and health.
4. Foreign companies must not be allowed to acquire more than 40 percent equity in any company except the foreign capital is to be used to develop the country's economy.



5. Foreign companies must earn through exports the foreign exchange they will use for their raw material imports.

6. Foreign companies must bring in only advanced technology and modern equipment. Any foreign company bringing in outmoded technology or obsolete equipment should be blacklisted and not allowed to do business in the country.

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CSO: 4200/907

25 April 1986

## PHILIPPINES

## PHILIPPINE ECONOMIC INDICATOR ON FOREIGN ASSETS DEFICIT

HK120701 Quezon City BUSINESS DAY in English 9 Apr 86 p 8

["Economic Indicator's" Column: "Foreign Assets Deficit Grow"]

[Text] The monetary system's net foreign assets deficit expanded 21.65 percent last year as the gap between the foreign liabilities and foreign assets of the Central Bank [CB] and deposit money banks continued to widen. Data from the CB showed that the deficit stood at P121,568.8 million at end-1985, up from P99,937.3 million in 1984.

Net foreign assets represent the difference between the foreign assets and foreign liabilities of the CB and deposit money banks.

The rise in the deficit last year was mainly the result of the hefty 51.69 percent increase in the CB's foreign liabilities from P68,940.8 million to P104,579.6 million. This negated the 15.66 percent growth in the CB's foreign assets from P17,515.4 million to P20,258.6 million. The result was a shortfall of P84,321 million, up 63.97 percent from P51,425.4 million in 1984.

On the other hand, the net foreign assets position of deposit money banks improved with the deficit narrowing to P37,247.8 million. This represented a 23.23 percent decline from the previous year's shortfall of P48,511.9 million. Foreign assets fell 7.68 percent but the decline was cushioned by the 15.72 percent drop in foreign liabilities.

On a monthly basis, the December deficit was 1.16 percent larger than November's P120,126.4 million. The monetary system's net foreign assets had been in deficit since 1979. Last year, it recorded a P91,126.3-million deficit in January which grew at an average monthly rate of 2.82 percent to reach P99,608.2 million in April. The deficit fell to P96,866.4 million in May and further to P96,078.2 million in June. From July, the deficit again increased and recorded an average monthly growth rate of 4.03 percent until December.

Net Foreign Assets of the Monetary System  
December 1984 to December 1985  
(in million pesos)

	Total	Central Bank	Deposit Money Banks
1984			
December	-99,937.3	-51,425.4	-48,511.9
1985			
January	-91,126.3	-48,446.4	-42,679.9
February	-92,728.4	-51,563.4	-41,165.0
March	-98,034.6	-54,705.7	-43,328.9
April	-99,008.2	-50,217.4	-48,790.8
May	-96,866.4	-48,467.5	-48,398.9
June	-96,078.2	-46,500.2	-49,578.0
July	-97,317.0	-50,725.5	-46,591.5
August	-102,909.9	-59,230.4	-43,679.5
September	-110,690.1	-66,391.7	-44,298.4
October	-116,648.0	-78,337.2	-38,310.8
November	-120,176.4	-80,568.5	-39,607.9
December	-121,568.8	-84,321.0	-37,247.8

Source: Central Bank

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CSO: 4200/907

PHILIPPINES

PHILIPPINE MINISTER WANTS RURAL BANKS TO BE STREAMLINED

HK090755 Manila PHILIPPINE DAILY INQUIRER in English 3 Apr 86 p 7

[Article by Roman Floresca]

[Text] Agriculture Minister Ramon V. Mitra, Jr has endorsed a proposal which, if implemented, will make the Land Bank of the Philippines (LBP) a "super-agricultural bank," with about 400 subsidiary banks spread out all over the country.

The proposal involves a simple equity conversion scheme designed to transfer the ownership of about half the country's 944 rural banks into the hands of the LBP.

Most of these rural banks have piled up obligations or arrearages with the Central Bank (CB), which remained unpaid throughout the years, owing to losses incurred in the administration of the government's various agricultural loan program.

The proposal, which the rural bankers themselves advanced, is for the conversion of these arrearages into equity capital, and then sold to the LBP.

In effect, this will make LBP the majority owner in those banks whose arrearages are equivalent to more than half of their capital stocks.

Sources said that at least 400 of the more than 900 rural banks will fall under this category. In addition the other rural banks will have to give up substantial minority shares to LBP.

The scheme, however, includes a buy-back provision, which will allow the original owners to reacquire their respective banks in later years.

The main objective of this proposal, according to Mitra, is to rehabilitate these rural banks which have become insolvent as a result of huge losses incurred through their participation in the various agricultural credit programs of the government.

These include the Masagana 99 rice production program, in which the rural banks lent out money to farmers without collateral.

Many of these loans remain unpaid by the farmers to this day and yet the rural banks have to contend with the CB, which provided the funds that were loaned out.

With the expertise shown by LBP, which is today the only profitable government bank, the operations of these moribund rural banks can be turned around to make them profitable again, Mitra said.

When that time comes, the government will be ready to give them back to their original owners, he added.

Others, however, did not share Mitra's optimism. Observers point out that the operations of LBP, as it is now, is very much different from the operations of a rural bank.

While it is true that the LBP has proven its capability to stay afloat, the addition of hundreds of subsidiaries may begin to hamper its efficiency, it was pointed out.

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CSO: 4200/907



PHILIPPINES

FOREIGN LOANS TO INCREASE PHILIPPINE INTERNATIONAL RESERVES

HK060502 Quezon City BUSINESS DAY in English 3 Apr 86 p 2

[Article by Conrado R. Banal III]

[Text] The country is almost certain to get this year at least \$500 million in quick disbursing loans from foreign governments. These loans, together with the remaining \$212 million in the Philippine standby credit line with the International Monetary Fund (IMF) and the \$350 million in the new money facility from foreign banks, will push the Central Bank's [CB] international reserves to more than \$2 billion. Such a reserve level will be a "comfortable one," CB Governor Jose B. Fernandez Jr. said yesterday. "It will allow me to sleep."

At present the CB's international reserves amount to \$1.35 billion. The reserves have never reached \$2 billion in the last two years. The highest level at \$1.7 billion was reached in June last year but the reserves sharply dropped to about \$1 billion soon after when the country updated all its interest payments on foreign loans and paid other foreign exchange obligations.

Fernandez said the CB wants to beef up its international reserves to stabilize the peso-dollar exchange rate. A stable exchange rate is what most bankers and businessmen are looking for to trigger an economic recovery. The CB for instance can immediately release dollars into the system as soon as signs of dollar speculations emerge which often lead to wild fluctuations of the rate.

A higher international reserves level will also allow more importations to feed the economic machinery.

The country's dollar earnings this year, however, are still expected to remain below its import payments which is the main source of pressure on the peso exchange rate versus the dollar.

The only way to raise the international reserves therefore is through quick disbursing loans from abroad.

Foreign governments have indicated willingness to increase their official development assistance (ODA) to the Philippines this year. Fernandez said he knows of two quick-disbursing loans which are offered from loans for specific projects which have longer disbursing periods—about \$1 billion.

This year's yen loan package from Japan's Overseas Economic Cooperation Fund (OECF), contains about \$260 million in quick-disbursing loans, Fernandez said. The Economic Support Fund (ESF) from the U.S. this year also has \$200 million in this type of loan.

Fernandez said that other quick-disbursing loans are being lined up from multi-lateral financial institutions such as the World Bank and the Asian Development Bank (ADB).

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CSO: 4200/907

PHILIPPINES

MINISTER SAYS JAPAN HESITANT ON AID

OW110201 Tokyo KYODO in English 0010 GMT 11 Apr 86

[Text] Manila, April 11 KYODO--Agriculture and Food Minister Ramon V. Mitra Jr. announced Thursday that the Philippine Government is setting up a "loan consortium" to parcel out foreign grants and loans to avoid overlapping of projects.

Mitra announced this policy amid a barrage of aid grants and loan offers from various countries and financial institutions, particularly the U.S. Agency for International Development (AID), the European Economic Community (EEC), the Asian Development Bank of the Philippines (ADB), Australia, New Zealand and the U.N. Food and Agriculture Organization (FAO).

He revealed, however, that the Japanese Government and its institutions have expressed hesitance to extend assistance, following recent exposes of Japanese corporations which allegedly paid a total of \$500 million in kickbacks and rebates in the last 20 years to deposed President Ferdinand Marcos in exchange for project contracts.

Mitra nonetheless expressed pleasure over a \$750 million loan package extended by ADB, half of which is allotted for the agricultural sector.

He said that any "omnibus" Code the Marcos administration had enacted should not preclude possible loan assistance to the new government under First Free Correlation System.

Mitra said recently Japanese companies were turned to more higher to make contracts with it was that the "kickback" system widely practiced by the corrupt Marcos regime. The new government has been "cleaning up" by making clearing of debts and assets owed to the last two decades, and early next Japanese economic recovery, considering the two countries' close economic relations.

As to the loan consortium subject, Mitra explained that foreign companies and institutions have offered grants and loans on the same projects. He said that instead of overlapping projects, his ministry is suggesting some different projects.

## PHILIPPINES

## TRADE MINISTER FAVORS ABOLITION OF ELECTRICITY SUBSIDY

HK100758 Manila THE MANILA TIMES in English 4 Apr 86 p 14

[Text] Trade and Industry Minister Jose S. Concepcion Jr. yesterday endorsed the demand of local industries to scrap the Manila Electric Company's subsidy program to lower industrial power rates.

Concepcion proposed that the annual subsidy burden of industries, estimated at P1 billion, be borne instead by the national budget if the government was to continue imposing lower electricity rates to residential and small commercial customers.

The Meralco subsidy program allows its subscribers consuming 130 kilowatt-hour (kwh) or less a month to pay the subsidized rate of only 24 centavos per kwh, or much less than its average electricity charge of P1.98 per kwh.

To subsidize these subscribers, industries pay a higher rate of about P2.40 per kwh, 55 centavos of which subsidizes smaller consumers.

"If the government thinks the subsidy is politically expedient, then this should not be done at the expense of our industries," Concepcion stressed.

Industries are reportedly losing in the world market because of high power rates.

The Philippines, Japan, India, South Africa, Indonesia, Hong Kong and Thailand pay import rates of £1.30 per bush.

last year, 16 industry associations pressed the previous administration to modify the subsidy program to limit production costs.

in further development, corruption diminishes that a major policy change is the greater allocation of resources for welfare projects in the priority to be given to the small and medium coffee producers, instead of the big traders.

[illegible]

Supporting Information for this article is available at [www.interscience.wiley.com](http://www.interscience.wiley.com). DOI: 10.1002/anie.200500000

One of the proposals made by Concepcion is for the coffee producers to form cooperatives so they can be accredited with the local certifying agency of the International Coffee Organization (ICO), where the Philippines is a member-country.

The trade and industry minister said that he has created an 11-man task force to draw up proposed rules and regulations in the quota allocation scheme.

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CSO: 4200/907



PHILIPPINES

'OPPRESSIVE CONDITIONS' OF AGRICULTURAL LOAN FUND DEPLORED

HK100754 Manila PHILIPPINE DAILY INQUIRER in English 4 Apr 86 p 12

[Article by Roman Floresca]

[Text] Agriculture Minister Ramon V. Mitra, Jr. is calling for a review of the \$120-million Agricultural Loan Fund (ALF) because, according to him, it carries "oppressive" conditions.

At the same time, Mitra urged Central Bank (CB) Governor Jose B. Fernandez to transfer the administration of the fund to the Land Bank of the Philippines (LBP).

The ALF consists of a \$100 million loan package from the World Bank (WB) and a supplementary grant of \$20 million from the United States Agency for International Development.

The fund is intended for relending to farmers and agribusinessmen in the Philippines.

Mitra said the ALF's oppressive conditions are those that touch on collaterals, repayment periods and grace periods.

For instance, he said, a grace period of one year for a cattle breeding program, otherwise known as cow-calf operation, is too short. It should not be less than five years, said Mitra, who is, himself, a former rancher.

For this reason, he said, the grace periods, as well as the repayment periods for ALF loans should be computed according to the particular needs of the project being financed.

He also described the collateral requirements of the ALF loan agreement as being too stiff and needing to be relaxed. He did not elaborate.

In view of these "oppressive" conditions, loan availments by the local agribusiness community have been "minimal," Mitra continued.

Central Bank records show that only about 33 percent of the total amount has been used up so far.

As a corollary step, Mitra has urged the CB to give up administrative control of the fund in favor of the LBP.

It is not the function of the CB to administer the ALF, he said. It will be better administered by the LBP, he added.

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CSO: 4200/907

PHILIPPINES

PHILIPPINE ECONOMIC INDICATOR ON JANUARY WHOLESALE PRICE INDEX

HK101359 Quezon City BUSINESS DAY in English 7 Apr 86 p 7

["Economic Indicator" column: "Wholesale Price Index Up Slightly in January"]

[Text] The wholesale price index (WPI) for all commodity groups in Metro Manila, using 1978 as the base year, averaged 419.9 index points last January, up from 415.8 points a year ago, according to data from the National Census and Statistics Office (NCSO).

The rise in wholesale prices could be traced to the revised sales tax decree which doubled the sales tax rate on the original sale of manufacturers and imposed a 1.5 percent turnover tax on all subsequent sales. The decree took effect last Jan. 1, affecting manufacturers, wholesalers, retailers, and consumers.

The WPI measures changes in the prices at which wholesalers dispose of their products. It is computed as the ratio between current wholesale prices and corresponding prices in 1978. Among the different commodity groups whose wholesale prices are monitored by the NCSO are food, beverages and tobacco, crude materials, and mineral fuels.

The food group, one of the most affected by the revised tax structure, recorded a WPI of 482 index points last January, up from 465 a year before.

The WPI of beverages and tobacco also rose from 305.4 points to 333.

Other groups which registered increases in WPI were manufactured goods (from 338.9 index points to 369.6), machinery transport and equipment (from 318.5 to 361.2), and miscellaneous manufactured articles (from 417.9 to 463.1).

Prices of crude materials and mineral fuels, lubricants and related materials went down as a result of the reduction in prices of petroleum products in January.

General Wholesale Price Index in Metro Manila  
(1978-100)

year/ month	all items	food	beverages & tobacco	crude materials except fuel	mineral fuels, lubricants & related materials
1985	409.3	457.9	322.1	325.3	562.4
January	415.8	465.0	305.4	307.2	593.6
February	408.9	454.9	306.6	359.3	579.6
March	414.7	453.4	323.2	365.4	568.4
April	411.4	448.9	323.2	356.7	555.3
May	408.1	448.1	324.0	340.5	555.3
June	407.5r/	453.6	326.1	319.5r/	555.3
July	409.7	462.1	328.9	310.0	554.4
August	403.4	452.0	327.4	299.7	557.2
September	404.6	456.3	327.4	298.1	556.6
October	406.3	460.6	320.4	296.6	556.8
November	409.2	466.3	325.8	292.7	556.6
December	412.6	473.7	347.1	294.6	559.4

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January	419.9	482.0	333.0	302.9	580.1
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year/ month	chemicals including animal & vegetable oils and fats	manufactured goods classi- fied chiefly by materials	machinery & transport equipment	miscellaneous manufactured articles
1985	337.5	356.3	351.0	441.0
January	356.6	338.9	318.5	417.9
February	345.4	339.7	327.4	418.1
March	363.9	352.1	355.0	426.1
April	363.5	356.6	355.1	427.4
May	348.6	357.4	355.0	438.3
June	338.7	360.0	355.3	442.6
July	334.8	360.2	355.4	448.5
August	323.7	360.3	356.6	448.6
September	319.6	359.7	356.6	453.9
October	320.0	360.7	358.4	453.8
November	322.3	364.6	358.4	455.3
December	313.3	366.0	360.1	461.6

1986

January	318.8	369.6	361.2	463.1
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r/Revised.

Source: National Census and Statistics Office (NCSO).

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CSO: 4200/907

PHILIPPINES

BUDGET PROBLEMS HALT INFRASTRUCTURE PROJECTS

HK120651 Manila THE NEWS HERALD in English 8 Apr 86 p 3

[Article by Lito Gagni]

[Text] Public Works and Highways Minister Rogaciano Mercado yesterday ordered a stop of about P1 billion worth of infrastructure projects programmed for this year due to the government's budget restraint.

Mercado told a staff meeting of regional directors and district engineers in the ministry to temporarily suspend the implementation of projects yet to be started as the ministry assesses its budget.

The austerity measure is due in part to the gripping financial crisis that is plaguing the Aquino government following what has been dubbed as the increased spending for political projects.

"There is no budget," Mercado said in ordering a stop to infrastructure projects such as flood control.

However, on-going infrastructure projects will be allowed to continue, he added.

The ministry has a programmed budget of more than P3 billion and ministry sources said the projects affected by the policy unveiled at the conference yesterday is estimated at P1 billion.

Mercado also stressed the need to "maximize the use of government funds" under which he came up with a memorandum order setting forth guidelines to be followed in selecting infrastructure projects.

He said projects will be prioritized based on a weighted average that will compare the project's social benefits, economic and financial considerations, and environmental impact against the cost of the said project.

Mercado assigned a 50 percent weight for a project's social benefits, 30 percent for economic and financial considerations and 20 percent for environmental impact.



Hence, where a project will decrease the activity of insurgents or increase access to potable water, Mercado said the ministry will gladly approve recommendations to be made by the ministry's regional directors and district engineers.

Mercado said the ministry will now implement projects based on the acceleration of economic and social upliftment of the people at the soonest possible time.

Projects will no longer be designed to "satisfy the profit motive to private individuals," Mercado said in obvious reference to the parceling out of contracts for so-called political projects.

Ministry sources said Mercado's audit team is set to come up with documents on the alleged double-payments perpetrated at the Metropolitan Waterworks and Sewerage System [MWSS].

Sources said about P350 million worth pipe-laying and related projects were contracted before the snap election giving rise to suspicion that some of the projects were intended for the elections.

Mercado, whose ministry oversees the MWSS, had earlier denounced the snap water projects especially instances of double-payments.

The findings of the audit team of Mercado will be the basis for a criminal complaint that will be lodged, sources said.

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CSO: 4200/907

GUESSWORK OVER UNEMPLOYMENT RATE CONTINUES

HK120655 Quezon City BUSINESS DAY in English 7 Apr 86 p 11

[Text] Nobody knows exactly what the unemployment rate in the country is today.

In place of a reliable figure are guesses which range from the "wild" to the "educated." Such estimates offer counts of from two million to four million.

Such a lack underscores one of the priority tasks facing the Aquino administration--restoring integrity into public socio-economic statistics.

A working knowledge of size of the jobless in the nation today is an imperative to the top mission assigned by President Corazon C. Aquino to her government which is alleviation of the deep poverty inflicted on the people by the Marcos dictatorship.

Government statistics under the deposed regime were highly suspect because of the dictatorship's habitual doctoring of national socioeconomic figures in its vain attempts to fool everyone.

The now classic illustration to the dictatorship's use of doctored statistics was the "cooking" of Central Bank books in its then frantic efforts to secure bail-out loans from world lenders.

When discovered, the dictatorship provided an added indication to its callousness. It promoted, instead of fired, the Central Bank official responsible for cooking the books.

The government body mainly responsible for restoring integrity into government statistics is the National Economic and Development Authority (NEDA) now headed by Director General Solita Monsod.

Under NEDA is the National Census and Statistics Office (NCSO), the agency which closely monitors the ticks and turns of the national socio-economic situation.

In its latest report on the unemployment situation in the country, NCSO computed the jobless rate at 7.1 percent.

However, such a rate was as of the 1985 third quarter or six months ago. It does not reflect the number of Filipino who joined ranks of the unemployed from October 1985 to March 1986.

NCSO said it counted 33.6 million Filipinos who were aged 15 years and over as of the 1985 third quarter and that of such a number, 21.3 million were in the national labor force with 19.8 million employed.

By its computation, NCSO said the jobless during the period totaled 1.5 million to represent 7.1 percent of the labor force or an employment rate of 92.9 percent.

Compared with the second quarter of 1985, NCSO said the employment rate slightly rose by 0.2 percent effecting a decline in the jobless rate by a similar fraction.

It added that the underemployment rate likewise went down to 22.2 percent from the previous 22.6 percent and so did the visible underemployment rate, from 17.1 percent to 1.68 percent.

The underemployment are defined by NCSO as those employed wanting additional work because earnings they make at their jobs are not enough to keep the proverbial body and soul together.

Turning to sexual composition of 15 years old and over population during the quarter under review, NCSO said there are 16.5 million males and 17 million females.

Of the males, 12.5 million were employed, 716,000 jobless and 3.3 million not in the labor force. Corresponding counts for the female were 7.2 million, 801,000 and 8.9 million.

The agency added that the 15 years old and above population further divided into 20.3 million rural residents and 13.2 million urbanites. Of the rural residents, 12.8 million were employed, 585,000 jobless and 6.9 million not in the labor force.

Suffering the higher jobless rate was the urban residents of whom 932,000 were unemployed with 6.9 million and 5.4 million not in the labor force.

Breaking down the national jobless rate into the regional basis, NCSO said Metro Manila suffered the highest unemployment rate at 22.1 percent.

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CSO: 4200/907

**PHILIPPINE PRESS SAID TO BE REGAINING 'LOST PRESTIGE'**

HK110554 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 7 Apr 86 p 3

[Article by H.C. Molina]

[Text] The Philippine press under the new government is slowly regaining its lost prestige as the "freest press in Asia" which was stifled by then President Marcos when he proclaimed martial law in 1972.

Since President Aquino took the reins of government last February, new periodicals have hit the streets; even the so-called sequestered newspapers have reappeared, filling up the so-called "void" in objective information dissemination that was remiss under the old regime.

There is a keen competition among newspapers of general circulation today. The stories are tightly edited and professionally presented and as a result, there is objectivity, fairness in the newspaper game.

A fresh ray of hope has finally dawned on Philippine media.

On top of this, there are no more "salvagings" of newsmen. No less than 27 newsmen, broadcasters and editors were killed since 1976 and onwards, according to the National Press Club.

There are no longer "unexpected invitations" to Camp Crame, multimillion-peso libel suits and "compulsory leaves" of absence on the part of working newsmen.

Despite sequestration moves on the assets of "crony" newspapers or those identified with the past regime, the papers concerned have shed off their timidity or passivity; they have joined the national effort in "safeguarding human rights" and in protecting the people from possible abuses of government officials.

A newspaper reader has remarked that it is now difficult to say that the papers close to the former first family are still "crony press," and the papers that helped Aquino in the Feb 7 election campaign are "Cory-press."

For a new vogue has surfaced: investigative reporting. President Aquino, who assumed power on Feb 25 and is now on the 40th day as chief executive, herself is not spared.

Her honeymoon with the working press seemed to be brief, unlike in the case of Mr Marcos, who enjoyed mass media support during his first two terms as president.

The working press has assiduously pursued its duty as moulder of public opinion by exposing the so-called skeletons in the closet of the new cabinet ministers.

It has criticized or lampooned several ministers who are lukewarm to the tri-media and even exposed those who have business dealings with former cabinet ministers of Mr Marcos.

There are today at least seven big newspapers of general circulation: THE PHILIPPINE INQUIRER, PAHAYAGANG MALAYA, THE MANILA BULLETIN (formerly BULLETIN TODAY), THE MANILA TIMES, THE NEW PHILIPPINES DAILY EXPRESS, THE NEWS HERALD (formerly TIMES JOURNAL), and BUSINESS DAY (except Saturday and Sunday).

THE PHILIPPINES FREE PRESS, a weekly magazine which was closed down by Marcos during martial law resumed publications on a bi-monthly basis. The DAILY MIRROR, a Philipinosister publication of the MANILA TIMES, is a newest addition to the growing number of periodicals.

A new daily, the DAILY TRIBUNE, is expected to come out shortly.

This is in addition to a host of other existing tabloid publications. All the seven big newspapers have an added fare: weekly magazines.

Their editorials are sometimes searing, humorous, amusing, shocking as they contain explosive news, particularly on the "hidden wealth" of former President Marcos and his wife Imelda, and his cronies.

Newspaper readers, however, have complained that it has become costlier for them to pursue their habit.

They have to buy at least three newspapers in the morning, then two in the afternoon. Thus, it would cost them at least P10 a day for newspapers alone.

Since the military mutiny of Feb 22 supported by people power, Filipinos have developed a yen for reading newspapers to keep them abreast of the latest political developments in the country.

While being posted of news developments, they are amused to read about the in-fighting among certain administration officials: Vice President Salvador H. Laurel vs. local Governments Minister Aquilino Pimentel Jr. over the controversial appointments of officers-in-charge of local government units; Agriculture Minister Roman P. Mitra vs. Laurel over uncalled remarks of the latter's secretary general Rene Espina on the resignations of Finance Minister Jaime Ongpin, BIR Commissioner Bienvenido A. Tan, Jr. and others.

Defense Minister Juan Ponce Enrile himself had warned Pimentel to take it easy on appointing OICS for this may trigger social unrest, like in the case of Olongapo Mayor Richard Gordon.



This early, the press has started fiscalizing the Cory government. Normally, a new chief executive is given at least 100 days to prove his/her capability as a new leader and is judged according to his/her performance.

The press, being the "mirror of society" was split on the moves of President Aquino in declaring a "freedom government," abolishing the Batasang Pambansa and the naming of 30 to 50 people to draft a new Constitution within an indefinite time frame, instead of calling for a Constitutional Convention.

Thomas Jefferson, former U.S. president, once said that he "would rather have no government at all than to do without a press."

The Free Press, in its April 5 issue, said in its editorial:

"Anarchy seemed preferable to a government with no press to expose its abuses and make it face the people's judgment. If the people were kept in the dark about what the government was doing, the government could do anything. It would have, in effect, absolute power, and absolute power corrupts absolutely.

"The government could lie, cheat, rob, kill and nobody would know except the immediate victims. The people would think the government was doing just fine... hence, the absolute necessity of press freedom."

So far, no Filipino newsman has ever been arrested under the Aquino administration.

It is hoped that as the lady president continues to exercise her "broader powers" under a "provisional government," she would not order any journalist arrested and clamp him in jail, for no justifiable cause.

After all, her slain husband, former Sen. Benigno S. Aquino, Jr., was himself a journalist who was a staunch advocate of press freedom.

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CSO: 4200/907

**GOLD SMUGGLING REPORTED**

Manila MANILA BULLETIN in English 14 Mar 86 p 10

[Article by Fred Lobo]

[Text]

Seven to 14 tons of Philippine gold are smuggled yearly to Sabah or sold to the so-called "Binondo Central Bank," Natural Resources Minister Ernesto Maceda revealed yesterday.

Maceda said that the gold is part of the estimated 20 tons produced by panners annually.

He said that the gold is allegedly brought to Sabah or is secretly sold to the Binondo Central Bank.

Big miners belonging to the Chamber of Mines said that the gold they produce is all sold to the Central Bank as required by Central Bank regulations.

Reacting to Maceda's query of whether part of the gold they produced is siphoned to the "invisible gold hoards of Mrs. Imelda R. Marcos,"

chamber officials said that they deliver all their gold to the Central Bank.

"If it happened (the siphoning), it happened in the Central Bank," they were quoted as saying.

Maceda met yesterday with the Chamber of Mines led by Juan Francisco, chairman and Henry A. Brimo, president.

Maceda said he accepted the resignation of Bureau of Mines and Geo-Sciences Director Juanito Fernandez.

He added that he designated Benjamin Gonzales as officer-in-charge, and Dr. Guillermo Balce as assistant OIC.

Earlier, Maceda vowed to launch a campaign against illegal mining and smuggling.

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CSO: 4200/911

## BRIEFS

**RICE SHORTAGE PREDICTED**--A serious rice shortage may hit the country soon if the government succumbs to pressures from the United States by lowering the buying price for palay by 30 centavos to P3.20 per kilo. Benjamin Cruz, executive director of the Farmers League of the Philippines, said most rice farmers may shift to other crops or plant palay only for their subsistence if the National Food Authority [NFA] rolls back the government floor price in the face of declining prices. Cruz was reacting to NFA Administrator Emil Ong's recent announcement that the support price rollback is being demanded by officials of the U.S. Agency for International Development [USAID] who claimed the Filipino farmer's production cost is only P2.30 a kilo. Such a move is also strongly opposed by Agriculture and Food Minister Ramon Mitra Jr. who told newsmen yesterday that "the price is good enough" and that if there should be any changes "they should be upwards." Refuting the US AID's computation, Cruz said the local rice farmers are spending about P3 per kilo, based on a production cost average of nearly P12,000 per hectare at an output of 80 cavans or 4,000 kilos of palay. Farmers will theoretically earn a meager 20 centavos per kilo or P800 per hectare each cropping. [Text] [Quezon City ANG PAHAYAGANG MALAYA in English 1 Apr 86 p 7 HK]/12766

**ADB APPROVES \$100 MILLION CONCESSIONAL LOAN**--Manila, April 7 (AFP)--The Asian Development Bank (ADB) headquarters here announced Monday the approval of a \$100 million loan to the Philippines, half of it interest-free and payable in 40 years. The loan is intended to complete 36 bank-assisted priority projects stalled by the lack of local counterpart funds due to the country's severe economic crisis since 1983, bank spokesmen said. The projects are in such key sectors as agriculture, irrigation, water supply, transport, education and energy. Half of the projects are expected to be completed by next year, the spokesmen added. Fifty million dollars is payable in 40 years, including a grace period of 10 years, with a nominal service charge of 1 percent a year, while the other half is payable in 20 years, including a grace period of 5 years, at 9.65 percent interest. "In normal circumstances, the Philippines would not have been eligible for concessional loans," an ADB statement said. The statement quoted ADB President Masao Fujioka as saying that the country was given special treatment due to the "severity and abruptness" of the economic crisis, noting that per capita income fell from \$820 in 1982 to \$660 in 1984. [Text] [Hong Kong AFP in English 1038 GMT 7 Apr 86 HK]/12766

**ECONOMIC PROTECTIONISM URGED ON PRIVATE SECTOR**--The National Economic Protectionism Association [NEPA] demanded private sector consultation before the Ministry of Trade and Industry allows 100 percent foreign investment in export-oriented projects. The organization said it was necessary to establish strict safeguards so that the interests of the Filipino people will not be prejudiced. The NEPA said that foreign firms even in export oriented activities should not be allowed to use the country's scarce foreign exchange to borrow from local banks. These firms should be required to bring in their own capital equipment and working capital, NEPA said. Historical experience suggests that foreign investment in export oriented projects generated minimal foreign exchange. The garments and electronics industries are examples where there are a significant number of wholly owned foreign firms. These foreign owned firms merely use the country's foreign exchange for importing raw materials while the value added came only from labor, NEPA said. NEPA added that foreign investors will likely demand even a ban on strikes and enactment of labor repressive laws as a condition for their investment. If foreign firms are going to be allowed 100 percent equity in export oriented activities, then they should be phased out of import-substitution industries, NEPA said. NEPA said that Filipino businessmen fought for Corazon C. Aquino and they expect her government to promote domestic investment first. [Text] [Quezon City ANG PAHAYAGANG MALAYA in English 27 Mar 86 p 7 HK]/12766

**CB CANCELS IMPORT RESTRICTIONS**--Manila, April 8 (AFP)--The Philippine Central Bank has canceled all restrictions on imports of beer, flour, wheat, soybean and feedgrains, spokesmen said Tuesday. The bank issued a circular detailing the lifting of the restrictions "in line with the import liberalization program of the government." The program, due to be implemented by May 1, is one of the major requirements of the International Monetary Fund which is currently administering a rescue package for the ailing Philippine economy. The import liberalization program started during the administration of deposed President Ferdinand Marcos but the BUSINESS DAY newspaper today reported that Finance Minister Jaime Ongpin and Central Bank Governor Jose Fernandez "are convinced that the program...makes economic sense." Previously, the Central Bank required importers of the restricted grains to obtain a clearance from the National Food Authority (NFA), the state-run grains trading and marketing monopoly. The associate director of the Central Bank's commodities classification office told AGENCE FRANCE-PRESSE that grains importation was deregulated "upon the recommendation of the NFA." [Text] [Hong Kong AFP in English 1413 GMT 8 Apr 86 HK]/12766

**AGRICULTURAL LOAN APPROVALS**--The Central Bank [CB] yesterday said a total of P418-million worth of loans have been granted from the 155 million (about P3 billion) World Bank-funded Agricultural Loan Fund (ALF), as of March 31, 1986. The amount released was within the targets set for the ALF which is supposed to be used within a period of five years, the CB said. Agricultural projects financed by the P418 million release include fishery and prawn production, sugar, food processing, poultry, livestock, plantation crops and rice and feed mills. The ALF consists of 100 million lent by the WB, 20 million from the USAID, and a CB peso counterpart equivalent to 35 million. The CB emphasized that ALF financing is primarily intended to supplement the traditional sources of agricultural credit. Under the loan agreements with IBRD/USAID, ALF funding



will only be in addition to the usual CB credit to agriculture thru its rediscount window. The WB also imposed the condition that ALF financing will be market-oriented and there will be neither an allocation of funds by crops or types of investment nor any targeted borrowers. [Text] [Manila THE NEW PHILIPPINES DAILY EXPRESS in English 5 Apr 86 p 9 HK]/12766

ASSETS OF MARCOS CRONY SEQUESTERED--The Commission on Good Government, has announced the sequestration of more assets of a known Marcos crony. Commissioner Ramon Diy has said that all shares of stocks and other assets of former Ambassador Roberto Benedicto at the Traders Royal Bank have been sequestered by the government. He said the sequestration notes were sent to the president of the Traders Royal Bank yesterday. [Text] [Quezon City DZFM Radio in English 0000 GMT 12 Apr 86 HK]/12766

POLICE DISPERSE PRO-MARCOS PROTESTERS--Manila, April 11 (AFP)--Riot police Friday dispersed protesters loyal to deposed President Ferdinand Marcos that had barricaded a major street near a Manila broadcasting complex for the past week, the police and witnesses said. Witnesses said some 1,000 Marcos loyalists, tears streaming down their faces, had sung the national anthem and chanted "Marcos still" as police cleared the road of felled trees, rocks, steel cylinders and other objects. Minor scuffles broke out when the protesters refused to clear the road. They eventually gave way, but vowed to return. Police spokesmen said the barricade, outside the private GMA radio-television complex in suburban Quezon City, had been put up Sunday after a pro-Marcos radio commentator there had told his listeners he had been receiving death threats. The commentator, Rafael Yabut, had earlier broadcast an hour-long interview with Mr Marcos conducted by telephone from the exiled president's new home in the U.S. state of Hawaii. Witnesses said Marcos supporters had immediately put up Marcos campaign streamers and posters around the station and had vowed to protect the radio announcer from possible harm. [Text] [Hong Kong AFP in English 1319 GMT 11 Apr 86 HK]/12766

BARRICADES RESET AT TV STATION--Some 500 Marcos loyalists continue to set up barricades before the Channel 7 television station in Quezon City. Last Friday, authorities tried to tear down the barricades but the demonstrators returned. Meanwhile, Marcos loyalists also staged a rally in Luneta yesterday afternoon. They intend to continue with the barricades in order to demonstrate their support for former President Marcos. [Text] [Dagupan City DZDL Radio in Tagalog 0445 GMT 14 Apr 86 HK]/12766

BALWEG REPORTED ILL--Baguio City Rebel priest Conrado Balweg is bed-ridden in his hideout in the Cordillera, a member of the New People's Army liquidation squad Sparrow Unit said yesterday. The Sparrow man did not state the nature of Balweg's sickness but added that the rebel priest "is now recovering." The NPA member, who requested anonymity, said he had just visited Balweg in the Cordillera along with four other members of the unit. He said they came to Baguio on a mission but assured that it was not to sow terror but to meet "somebody" whom he did not identify. Balweg is one of the most prominent rebel leaders in Northern Luzon. A P200,000 reward has been offered by the military for his capture dead or alive. Military authorities here have been receiving surrender feelers from Balweg. [Text] [Quezon City PAHAYAGANG MALAYA in English 20 Mar 86 p 1] /13104

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